1997 ACTUAL

	Based on Book Value			Based on Market Value		
		Common			Common	
Company	Debt	Equity	Other	Debt	Equity	Other
Aliant Communications In.	23.7%	75.1%	1.2%	7.2%	92.4%	0.4%
Alltel Corp.	45.8%	53.8%	0.4%	19.9%	79.9%	0.2%
Ameritech	35.7%	64.3%	0.0%	9.1%	90.9%	0.0%
Bell Atlantic	49.2%	47.4%	3.4%	15.6%	83.3%	1.1%
Bell South	31.9%	65.9%	2.2%	11.2%	88.0%	0.8%
Century Telephone Ent., Inc.	66.7%	33.0%	0.3%	46.1%	53.7%	0.2%
Cincinnati Bell Inc.	31.7%	68.3%	0.0%	6.0%	94.0%	0.0%
Frontier Corp.	49.0%	50.0%	1.0%	19.1%	80.6%	0.4%
GTE Corp.	58.5%	32.4%	9.1%	22.1%	74.5%	3.4%
SBC Communications	52.5%	43.2%	4.3%	14.9%	83.9%	1.2%
Southern New England Tel.	66.0%	34.0%	0.0%	26.2%	73.8%	0.0%
Telephone & Data Systems, Inc.	34.4%	53.5%	12.1%	27.7%	62.6%	9.7%
US West, Inc.	54.5%	45.5%	0.0%	18.7%	81.3%	0.0%
Average	46.1%	51.3%	2.6%	18.7%	79.9%	1.3%

VALUE LINE PROJECTED (2001-2003)

	Based on Book Value			Based on Market Value		
		Common			Common	
Company	Debt	Equity	Other	Debt	Equity	Other
Aliant Communications In.	25.0%	75.0%	0.0%	11.8%	88.2%	0.0%
Alltel Corp.	37.0%	62.5%	0.5%	14.7%	85.1%	0.2%
Ameritech	25.5%	73.4%	1.1%	10.2%	89.3%	0.4%
Bell Atlantic	17.5%	81.9%	0.6%	7.0%	92.8%	0.2%
Bell South	30.0%	70.0%	0.0%	12.0%	88.0%	0.0%
Century Telephone Ent., Inc.	50.0%	50.0%	0.0%	29.1%	70.9%	0.0%
Cincinnati Bell Inc.	33.0%	67.0%	0.0%	14.1%	85.9%	0.0%
Frontier Corp.	47.5%	51.5%	1.0%	16.9%	82.7%	0.4%
GTE Corp.	58.0%	42.0%	0.0%	25.5%	74.5%	0.0%
SBC Communications	40.5%	57.0%	2.5%	14.8%	84.2%	0.9%
Southern New England Tel.	48.0%	52.0%	0.0%	21.9%	78.1%	0.0%
Telephone & Data Systems, Inc.	36.0%	59.5%	4.5%	21.7%	75.6%	2.7%
US West Communications	51.0%	49.0%	0.0%	20.9%	79.1%	0.0%
Average	38.4%	60.8%	0.8%	17.0%	82.7%	0.4%

Source: The Value Line Investment Survey (October 9, 1998), Value Line Index to Stocks (January 9, 1998).

1997 ACTUAL

Company	Based on Book Value Debt	Based on Book Value Common Equity	Based on Book Value Other	Based on Market Value Debt	Based on Market Value Common Equity	Based on Market Value Other
Ameritech	35.7%	64.3%	0.0%	9.1%	90.9%	0.0%
Bell Atlantic	49.2%	47.4%	3.4%	15.6%	83.3%	1.1%
Bell South	31.9%	65.9%	2.2%	11.2%	88.0%	0.8%
SBC Communications	52.5%	43.2%	4.3%	14.9%	83.9%	1.2%
US West, Inc.	54.5%	45.5%	0.0%	18.7%	81.3%	0.0%
Average	44.8%	53.3%	2.0%	13.9%	85.5%	0.6%

VALUE LINE PROJECTED (2001-2003)

Company	Based on Book Value Debt	Based on Book Value Common Equity	Based on Book Value Other	Based on Market Value Debt	Based on Market Value Common Equity	Based on Market Value Other
Ameritech	25.5%	73.4%	1.1%	10.2%	89.3%	0.4%
Bell Atlantic	17.5%	81.9%	0.6%	7.0%	92.8%	0.2%
Bell South	30.0%	70.0%	0.0%	12.0%	88.0%	0.0%
SBC Communications	40.5%	57.0%	2.5%	14.8%	84.2%	0.9%
US West Communications	51.0%	49.0%	0.0%	20.9%	79.1%	0.0%
Average	32.9%	66.3%	0.8%	13.0%	86.7%	0.3%

Source: The Value Line Investment Survey (October 9, 1998), Value Line Index to Stocks (January 9, 1998).

EXPLANATION OF CAPITAL STRUCTURE CALCULATIONS

I. Book Value

Book value capital structures for 1997 and projected 2001-2003 were based directly on the debt and common equity ratios reported by The Value Line Investment Survey (Value Line) (October 9, 1998), for the respective periods. The proportion of other capital was calculated as the difference between total capital (100 percent) and the sum of the debt and common equity ratios.

II. Market Value

For year-end 1997, the market value of each firm's common equity was calculated by multiplying the stock price at December 30, 1997, reported in Value Line's Index to Stocks (January 9, 1998), by the number of shares outstanding in 1997, also from Value Line. For purposes of this analysis, the market value of debt and other capital was approximated by its book value, calculated as the product of the year-end 1997 debt and other capitalization ratios discussed in I, above, and each firm's total capitalization, as reported by Value Line.

For 2001-2003, the market value of each firm's common equity was calculated by multiplying the average of Value line's "High" and "Low" stock price projections for 2001-2003 by the projected number of shares outstanding in 2001-2003, also from the October 9, 1998 edition of Value Line. Again, the market value of debt and other capital was approximated by its book value, calculated as the product of the debt and other capitalization ratios for 2001-2003 discussed in I, above, and the total 2001-2003 capitalization projected by Value Line for each firm.

1997 ACTUAL

	(a)	(b)	(c)	(d)	(e)	(f)
Company	Price	No. Shares	Market Value Common Equity	Total Book Capital	Debt	Other
Aliant Communications Inc.	$33.00	36.58	$1,207	$397.0	$94.1	$4.8
Alltel Corp.	$41.00	183.67	$7,530	$4,088.3	$1,872.4	$16.4
Ameritech	$42.00	1100.70	$46,229	$12,918.0	$4,611.7	$0.0
Bell Atlantic	$45.50	1553.00	$70,662	$26,966.0	$13,267.3	$916.8
Bell South	$58.00	992.00	$57,536	$23,017.0	$7,342.4	$506.4
Century Telephone Ent., Inc	$33.33	91.10	$3,037	$3,909.8	$2,607.8	$11.7
Cincinnati Bell Inc.	$31.00	136.10	$4,219	$848.9	$269.1	$0.0
Frontier Corp.	$24.00	164.10	$3,938	$1,900.8	$931.4	$19.0
GTE Corp.	$51.00	958.00	$48,858	$24,785.0	$14,499.2	$2,255.4
SBC Communications	$37.00	1837.30	$67,980	$22,911.0	$12,028.3	$985.2
Southern New England Tel.	$49.00	66.67	$3,267	$1,754.1	$1,157.7	$0.0
Telephone & Data Systems,	$47.00	60.87	$2,861	$3,680.1	$1,266.0	$445.3
US West, Inc.	$45.00	485.06	$21,828	$9,219.0	$5,024.4	$0.0

(a) Price at December 30, 1997 from The Value Line Investment Survey, Index to Stocks (January 9, 1998).
(b) The Value Line Investment Survey (October 9, 1998).
(c) Product of (a) and (b).
(d) The Value Line Investment Survey (October 9, 1998).
(e) 1997 Debt ratio from The Value Line Investment Survey (October 9, 1998) times (d).
(e) Ratio of Other capital, calculated based on data from The Value Line Investment Survey (October 9, 1998), times (d).

VALUE LINE PROJECTED (2001-2003)

	(a)	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Projected Price			No.	Mkt Value	Total Book		
Company	High	Low	Avg	Shares	Equity	Capital	Debt	Other
Aliant Communications Inc.	$40.00	$25.00	$32.50	36.0	$1,170.0	$625.0	$156.3	$0.0
Alltel Corp.	$75.00	$55.00	$65.00	275.5	$17,907.5	$8,390.0	$3,104.3	$42.0
Ameritech	$55.00	$40.00	$47.50	1,050.0	$49,875.0	$22,415.0	$5,715.8	$246.6
Bell Atlantic	$55.00	$45.00	$50.00	1,562.0	$78,100.0	$33,435.0	$5,851.1	$200.6
Bell South	$100.00	$75.00	$87.50	976.5	$85,443.8	$38,960.0	$11,688.0	$0.0
Century Telephone Ent., Inc	$80.00	$55.00	$67.50	93.5	$6,311.3	$5,170.0	$2,585.0	$0.0
Cincinnati Bell Inc.	$55.00	$35.00	$45.00	140.0	$6,300.0	$3,130.0	$1,032.9	$0.0
Frontier Corp.	$45.00	$30.00	$37.50	172.8	$6,478.1	$2,795.0	$1,327.6	$28.0
GTE Corp.	$85.00	$65.00	$75.00	950.0	$71,250.0	$42,060.0	$24,394.8	$0.0
SBC Communications	$60.00	$45.00	$52.50	1,840.0	$96,600.0	$42,000.0	$17,010.0	$1,050.0
Southern New England Tel.	$70.00	$50.00	$60.00	68.5	$4,110.0	$2,400.0	$1,152.0	$0.0
Telephone & Data Systems,	$80.00	$55.00	$67.50	67.5	$4,556.3	$3,625.0	$1,305.0	$163.1
US West, Inc.	$65.00	$50.00	$57.50	508.0	$29,210.0	$15,150.0	$7,726.5	$0.0

(a) Price at 2001-2003 from The Value Line Investment Survey (October 9, 1998).
(b) Average of Low and High projected stock prices for 2001-2003.
(e) The Value Line Investment Survey (October 9, 1998).
(d) Product of (b) and (c).
(e) The Value Line Investment Survey (October 9, 1998).
(f) Debt ratio for 2001-2003 from The Value Line Investment Survey (October 9, 1998) times (e).
(g) Ratio of Other capital, calculated based on data for 2001-2003 from The Value Line Investment Survey (October 9, 1998), times (d).

United States
Department of
Agriculture

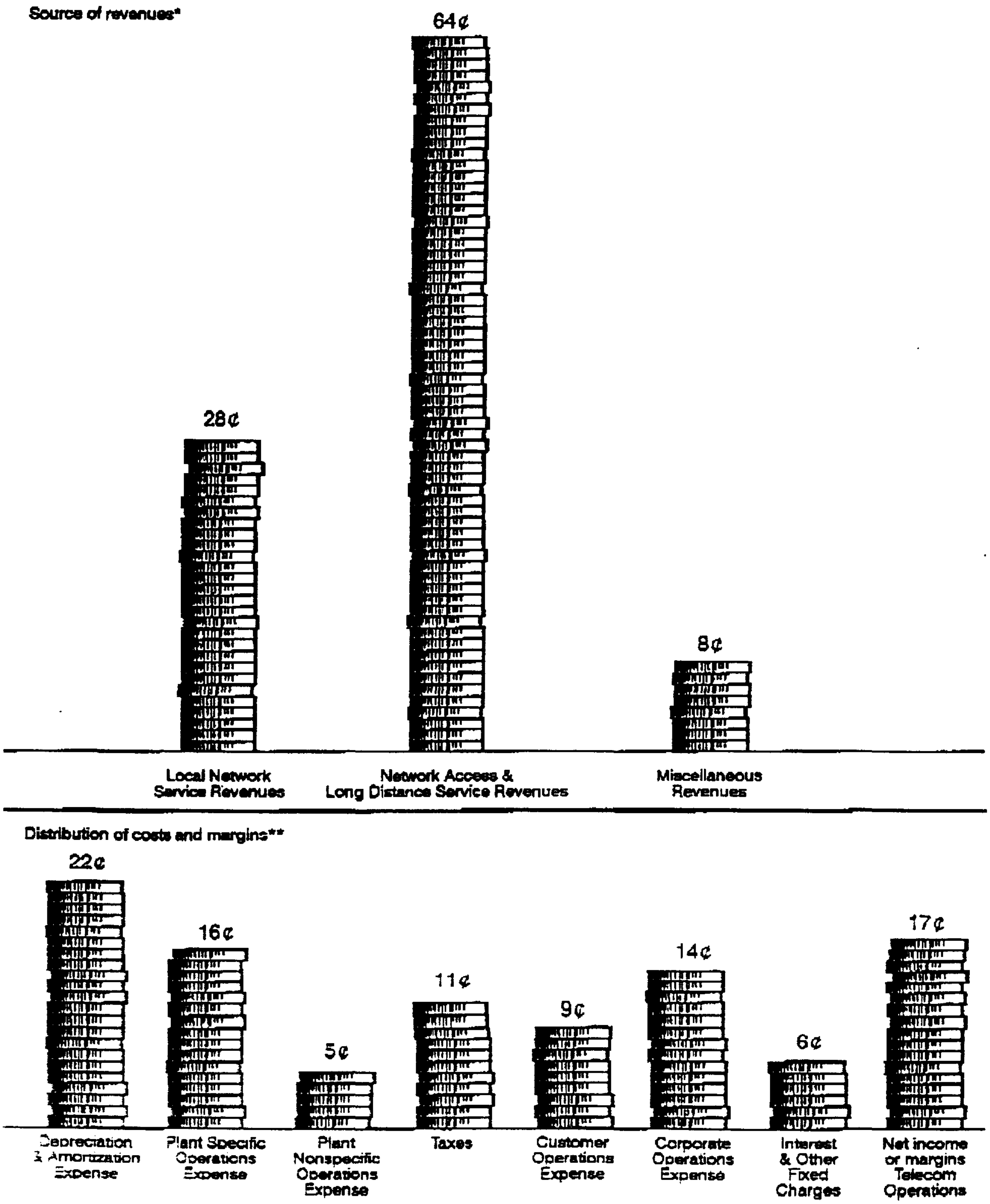
Rural
Utilities
Service

Informational
Publication 300-4

1997 Statistical Report Rural Telecommunications Borrowers

Chart 2

Source of Revenues, Distribution of Costs and Margins
By Borrowers Operating Telecommunications Systems – Calendar Year 1997



* Adjusted for uncollectible revenues.
** Excludes other operating income and expense.

APPENDIX OF
DIRECT CASE IN
CC DOCKET NO. 98-166

FILED ON BEHALF OF
THE UNITED STATES TELEPHONE ASSOCIATION, NATIONAL TELEPHONE COOPERATIVE ASSOCIATION, NATIONAL RURAL TELECOM ASSOCIATION, ORGANIZATION FOR THE PROMOTION AND ADVANCEMENT OF SMALL TELECOMMUNICATIONS COMPANIES, INDEPENDENT TELEPHONE AND TELECOMMUNICATIONS ALLIANCE, AND NATIONAL EXCHANGE CARRIER ASSOCIATION

ALIANT COMMUNIC. NDQ-ALNT

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	VALUE LINE
27	17.4	(Trailing: 18.1 / Median: 15.0)	0.96	2.6%	739

TIMELINESS 4 Lowered 6/19/98

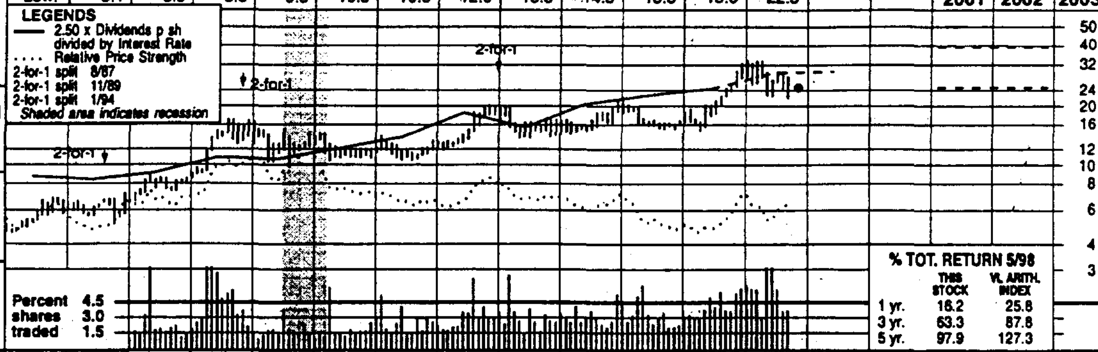
SAFETY 3 Lowered 12/7/90

TECHNICAL 2 Lowered 5/22/98

BETA .75 (1.00 = Market)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
High:	7.3	9.1	17.3	16.8	14.6	14.3	20.5	20.0	21.5	22.4	33.2	34.2
Low:	5.1	6.5	8.6	9.8	10.5	10.6	12.0	13.8	14.5	15.3	15.0	22.5

Target Price Range 2001 | 2002 | 2003



2001-03 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	40	(+50%)	12%
Low	25	(-5%)	1%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	1	1	0	0	0	0	0	0
to Sell	0	2	2	1	1	0	0	1	0

Institutional Decisions

	3Q1997	4Q1997	1Q1998
to Buy	54	60	56
to Sell	33	30	36
Hld's(000)	11294	12156	12597

% TOT. RETURN 5/98

	THIS STOCK	VL ARITH. INDEX
1 yr.	16.2	25.8
3 yr.	63.3	87.8
5 yr.	97.9	127.3

1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	© VALUE LINE PUB., INC.	01-03
4.05	4.11	4.46	4.38	4.80	4.91	5.54	5.14	5.22	5.36	5.39	5.66	6.08	6.14	7.26	7.83	*8.90*	*9.70*	Revenues per sh	*12.65*
1.20	1.27	1.39	1.34	1.44	1.39	1.61	1.59	1.61	1.71	1.80	1.89	2.13	1.81	2.50	2.80	*3.10*	*3.35*	"Cash Flow" per sh	*4.30*
.39	.40	.50	.44	.55	.61	.75	.75	.74	.83	.90	1.01	1.14	.84	1.22	1.46	*1.55*	*1.65*	Earnings per sh A	*2.20*
.24	.25	.26	.28	.28	.29	.33	.37	.37	.40	.43	.49	.49	.57	.61	.65	*.72*	*.72*	Div'ds Decl'd per sh B ■	*.76*
1.11	.93	.73	.90	.94	.84	.83	1.04	1.06	1.02	.84	.77	1.00	1.23	1.20	1.36	*2.10*	*2.20*	Cap'l Spending per sh	*2.50*
3.02	3.13	3.39	3.51	3.77	4.06	4.29	4.65	5.00	5.41	5.80	5.65	6.07	6.95	7.52	8.16	*9.05*	*10.00*	Book Value per sh	*13.60*
31.84	32.57	32.57	33.19	33.19	34.67	32.98	32.98	32.93	32.89	32.67	32.60	32.35	36.65	36.41	36.58	*36.00*	*36.00*	Common Shs Outst'g C	*36.00*
6.8	8.3	6.8	9.6	10.1	10.1	10.5	17.6	18.1	14.5	13.5	15.4	14.1	19.9	14.3	14.5	*Bold figures are*	*Value Line*	Avg Ann'l P/E Ratio	*15.0*
.75	.70	.63	.78	.68	.68	.87	1.33	1.34	.93	.82	.91	.92	1.33	.90	.84	*estimates*		Relative P/E Ratio	*1.05*
9.3%	7.6%	7.8%	6.6%	4.9%	4.7%	4.2%	2.8%	2.8%	3.3%	3.6%	3.2%	3.0%	3.4%	3.5%	3.1%			Avg Ann'l Div'd Yield	*2.3%*

CAPITAL STRUCTURE as of 6/30/98

Total Debt $160.0 mill. Due in 5 Yrs $36.0 mill.

LT Debt $136.0 mill. LT Interest $9.5 mill.
(LT interest earned: 11.0x; total interest coverage: 10.0x) (31% of Cap'l)

Pension Liability None

Pfd Stock None

Common Stock 35,630,998 shs. as of 7/31/98 (69% of Cap'l)

MARKET CAP: $900 million (Small Cap)

1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999		01-03
182.6	169.6	172.1	176.3	176.2	184.4	196.8	225.1	264.2	286.3	*320*	*350*	Revenues ($mill)	*455*
25.5	25.1	24.7	27.8	29.6	33.2	37.2	29.0	45.0	53.0	*58.0*	*60.0*	Net Profit ($mill)	*80.0*
30.1%	33.1%	32.5%	37.7%	35.2%	37.2%	38.5%	38.9%	39.6%	39.3%	*40.0%*	*40.0%*	Income Tax Rate	*40.0%*
14.0%	14.8%	14.4%	15.8%	16.8%	18.0%	18.9%	12.9%	17.0%	18.5%	*17.5%*	*17.0%*	Net Profit Margin	*17.5%*
28.9%	25.4%	33.2%	30.3%	27.5%	18.9%	18.0%	31.2%	27.0%	23.7%	*31.0%*	*30.0%*	Long-Term Debt Ratio	*25.0%*
67.0%	70.8%	63.8%	67.0%	70.8%	79.1%	80.2%	67.5%	71.8%	75.1%	*69.0%*	*70.0%*	Common Equity Ratio	*75.0%*
211.3	216.7	258.3	265.5	267.5	232.5	244.9	377.3	381.6	397.0	*450*	*500*	Total Capital ($mill)	*625*
238.6	244.8	250.3	253.4	249.6	246.1	241.8	255.3	255.0	259.0	*280*	*290*	Net Plant ($mill)	*325*
13.3%	12.8%	10.8%	11.8%	12.5%	15.6%	16.1%	8.3%	12.4%	14.4%	*14.5%*	*14.0%*	Return on Total Cap'l	*13.5%*
17.0%	15.5%	14.3%	15.0%	15.3%	17.6%	18.5%	11.2%	16.1%	17.5%	*18.0%*	*16.5%*	Return on Shr. Equity	*16.0%*
17.6%	16.0%	14.7%	15.4%	15.5%	17.9%	18.8%	11.3%	16.3%	17.7%	*18.0%*	*16.5%*	Return on Com Equity	*16.0%*
9.8%	8.2%	7.3%	8.1%	8.0%	9.5%	10.2%	4.0%	8.3%	9.8%	*9.5%*	*9.5%*	Retained to Com Eq	*10.5%*
45%	50%	51%	48%	49%	47%	46%	65%	49%	45%	*46%*	*43%*	All Div'ds to Net Prof	*35%*

CURRENT POSITION ($MILL.)	1996	1997	6/30/98
Cash Assets	32.0	31.6	26.2
Other	49.2	61.0	66.2
Current Assets	81.2	92.6	92.4
Accts Payable	48.1	48.8	49.1
Debt Due	7.3	19.0	24.0
Other	18.2	17.0	21.6
Current Liab.	73.6	84.8	94.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '95-'97 to '01-'03
Revenues	4.0%	6.0%	*10.0%*
"Cash Flow"	5.5%	7.0%	*10.5%*
Earnings	8.0%	7.5%	*11.0%*
Dividends	8.0%	9.0%	*3.5%*
Book Value	7.0%	7.0%	*10.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	50.3	51.5	62.2	61.1	225.1
1996	63.2	65.6	66.6	68.8	264.2
1997	68.2	70.6	73.6	73.9	286.3
1998	75.1	86.0	*78.9*	*80.0*	*320*
1999	*83.0*	*93.0*	*86.0*	*88.0*	*350*

Cal-endar	EARNINGS PER SHARE A D Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	.28	.31	.31	d.04	.84
1996	.27	.32	.33	.30	1.22
1997	.33	.36	.39	.38	1.46
1998	.36	.39	*.40*	*.40*	*1.55*
1999	*.39*	*.42*	*.43*	*.41*	*1.65*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1994	.12	.12	.12	.13	.49
1995	.14	.14	.14	.14	.56
1996	.15	.15	.15	.16	.61
1997	.16	.16	.16	.17	.65
1998	.17	.18	.18	.18	.71

BUSINESS: Aliant Communications Inc. (Lincoln Telecom. prior to 8/96) is a holding company. Principal subsidiaries are Aliant Communications Co. and Aliant Cellular, Inc. (acquired 7/95). Company provides statewide local and long-distance service in Nebraska. Owns 100% of Omaha Cellular, Ltd. Other operations include interexchange service, telecomm. equipment distribution, and data & answering svcs. Has 273,008 access lines; about 205,915 POPs. Est'd. plant age: 5.5 yrs. Has approximately 1,700 employees. Officers and directors own 10.1% of common shs.; Sahara Enteprises Inc., 8.8% (3/98 proxy). Chairman: Thomas C. Woods III. President & C.E.O: Frank H. Hilsabeck. Address: 1440 M Street, Lincoln, NE 68508. Telephone: 402-436-3737. Internet: www.aliant.com.

Aliant Communications' wireless operations should continue to fuel its overall top line, in terms of growth, brand awareness, and customer retention. Aliant's wireless customer base now totals close to 300,000 customers, the largest such operation in Nebraska. As of the second quarter, the company's cellular penetration rate stood at 16.4%, with a customer turnover rate of only 0.85%, about half the industry average. In the near term, Aliant's cost-efficient *AliantToGo* prepaid analog cellular plan should provide ample opportunities for growth. We feel the company can leverage its long-term wireline agreement with the University of Nebraska-Lincoln to market its prepaid cellular offering, and capture a larger share of the growing college-age market. And while Aliant has increased spending on the digital side to build out and market its PCS network, it has posted strong market-share gains, in lieu of competition from AirTouch and Sprint PCS in Omaha, and from Western Wireless in Lincoln. With its major-market digital networks scheduled for completion early next year, we project Aliant's wireless business to contribute 30% to total revenues in 1999.

Meanwhile, Aliant's wireline businesses should continue to grow at a moderate pace. Aliant, the incumbent local exchange carrier (ILEC) in Lincoln, lowered its business rate for basic service under a rate rebalancing plan in March of this year. We feel this has made its core service area less attractive to competitors, as US West has been the only major carrier to request an interconnection. The company's *Navix* Internet service should boost revenues here, inducing its customers' need for second-line access. And Aliant's start-up competitive local exchange carrier (CLEC) in Omaha, its primary target market, should become earnings positive by the end of 1999. All told, we're looking for about a 6% bottom line gain both in 1998 and 1999.

These shares are currently ranked to underperform the broader market in the year ahead. And, as a 3- to 5-year holding, our estimates suggest ALNT's price-appreciation potential is below that of the median of all stocks in the *Value Line* universe.

Christopher T. Conry *October 9, 1998*

(A) Basic earnings. Excludes non-recurring losses: '93, 73¢; '94, 10¢; '95: 3¢ due to business restructuring and 45¢ due to regulatory acct'g change. Included for Q4, '95 is a $12.1 mill., 33¢/sh. loss due to voluntary early retirement pgm. Next earnings report due late Oct. (B) Next div'd meeting about Nov. 15th. Goes ex about Dec. 26th. Approx. div'd. payment dates: 10th of Jan., April, July, Oct. ■ Div'd. reinvestment plan available. (C) In mill., adjusted for stock splits. (D) Qtrly. earnings may not sum due to changes in shares outstanding.

Company's Financial Strength	B++
Stock's Price Stability	40
Price Growth Persistence	45
Earnings Predictability	60

EXHIBIT 3

ALLTEL CORP. NYSE-AT

RECENT PRICE	47	P/E RATIO	21.4 (Trailing: 21.0 Median: 16.0)	RELATIVE P/E RATIO	1.44	DIV'D YLD	2.6%	VALUE LINE	740

TIMELINESS	3	Raised 2/6/98	
SAFETY	2	New 7/27/90	
TECHNICAL	3	Lowered 7/24/98	
BETA .85 (1.00 = Market)			

2001-03 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(+60%)	14%
Low	55	(+15%)	7%

Insider Decisions

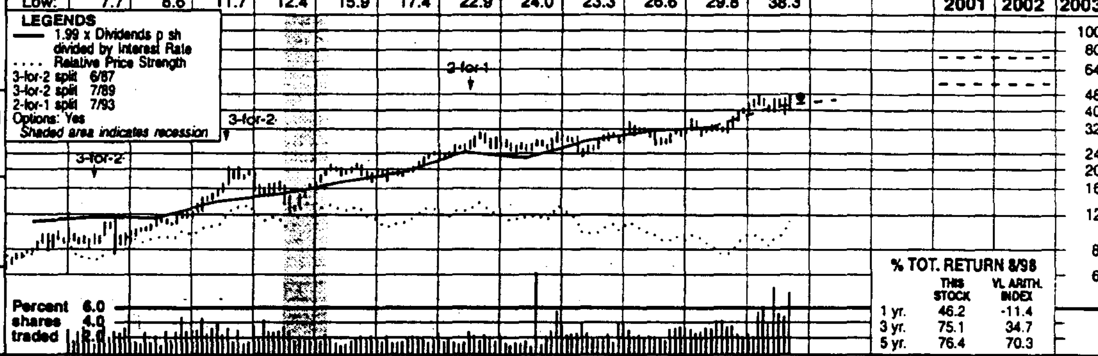
	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	0	0	0	1
Options	1	0	0	4	0	0	0	0	0
to Sell	1	0	0	4	0	0	0	0	0

Institutional Decisions

	4Q1997	1Q1998	2Q1998
to Buy	147	149	168
to Sell	121	125	109
Hld's(000)	78264	82466	100387

High:	11.4	12.6	20.9	19.6	21.6	25.0	31.3	31.4	31.1	35.6	41.6	48.8
Low:	7.7	8.6	11.7	12.4	15.9	17.4	22.9	24.0	23.3	26.6	29.8	38.3

Target Price Range 2001 | 2002 | 2003



% TOT. RETURN 8/98

	THIS STOCK	VL ARITH. INDEX
1 yr.	46.2	-11.4
3 yr.	75.1	34.7
5 yr.	76.4	70.3

1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	© VALUE LINE PUB., INC.	01-03
5.33	7.23	7.38	7.19	7.11	7.41	8.42	9.25	9.93	11.04	11.33	12.49	15.76	16.43	17.05	17.77	*19.00*	*21.35*	Revenues per sh	*30.15*
1.60	1.65	1.78	1.82	1.91	2.18	2.25	2.39	2.42	2.53	2.58	2.74	3.54	3.93	4.21	4.62	*4.65*	*5.30*	"Cash Flow" per sh	*7.35*
.57	.59	.66	.71	.77	.90	1.04	1.13	1.17	1.15	1.25	1.29	1.60	1.76	1.92	2.12	*2.10*	*2.50*	Earnings per sh A	*3.95*
.37	.38	.40	.42	.44	.51	.52	.59	.66	.71	.76	.82	.90	.98	1.06	1.12	*1.18*	*1.26*	Div'ds Decl'd per sh B■	*1.46*
2.03	1.68	1.66	1.66	1.59	1.57	1.58	1.75	1.92	2.03	1.99	2.27	3.17	2.76	2.48	2.97	*2.90*	*3.00*	Cap'l Spending per sh	*3.00*
4.20	4.42	4.66	5.06	5.18	5.76	6.14	6.67	6.35	6.77	7.01	8.24	8.60	10.18	11.15	11.97	*11.80*	*13.05*	Book Value per sh C	*19.05*
61.85	83.81	86.80	93.41	98.03	99.28	126.93	132.54	158.44	158.38	184.68	187.46	187.98	189.27	187.20	183.67	*275.50*	*275.55*	Common Shs Outst'g D	*275.50*
6.8	8.9	7.6	8.6	10.6	10.6	10.5	14.4	13.4	16.9	16.5	20.6	16.9	15.8	16.0	16.1	*Bold figures are*		Avg Ann'l P/E Ratio	*16.5*
.75	.75	.71	.70	.72	.71	.87	1.09	1.00	1.08	1.00	1.22	1.11	1.06	1.00	.93	*Value Line*		Relative P/E Ratio	*1.20*
9.5%	7.4%	8.1%	6.8%	5.4%	5.3%	4.8%	3.6%	4.2%	3.7%	3.7%	3.1%	3.3%	3.5%	3.4%	3.2%	*estimates*		Avg Ann'l Div'd Yield	*2.2%*

CAPITAL STRUCTURE as of 6/30/98
Total Debt $1742.4 mill. Due in 5 Yrs $66.0 mill.
LT Debt $1694.4 mill. LT Interest $119.0 mill.
Includes $6.5 mill. capitalized leases.
(LT interest earned: 3.8x; total interest coverage: 3.7x)
Pfd Stock $14.3 mill. Pfd Div'd $.9 mill.
Incl. 25,392 shs. $2.06 cum. ($25 liq'd value) each conv. into 5.963 com. shs.; 340,792 shs. 5%-6% ($25 par) redeemable; 60,188 shs. $2.25 cum. ($28 liq'd value) each conv. into 5.486 com.; 39,400 shs. 7¾% (no par) redeemable yearly through 1998.

Common Stock 184,354,525 shs.
MARKET CAP: $8.7 billion (Large Cap)

1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999		01-03
1068.5	1225.6	1573.8	1747.8	2092.1	2342.1	2961.7	3109.7	3192.4	3263.6	*5235*	*5885*	Revenues ($mill)	*8300*
134.1	153.9	192.8	186.0	234.1	243.4	304.0	335.6	365.9	399.7	*580*	*690*	Net Profit ($mill)	*1090*
31.7%	30.1%	32.0%	32.1%	35.5%	42.4%	38.1%	38.0%	37.3%	37.4%	*38.0%*	*38.0%*	Income Tax Rate	*38.0%*
12.6%	12.6%	12.3%	10.6%	11.2%	10.4%	10.3%	10.8%	11.5%	12.2%	*11.1%*	*11.7%*	Net Profit Margin	*13.1%*
45.2%	46.5%	46.8%	47.6%	43.7%	50.5%	53.1%	47.6%	45.5%	45.8%	*52.0%*	*48.5%*	Long-Term Debt Ratio	*37.0%*
52.2%	51.4%	52.0%	51.4%	55.5%	48.9%	46.4%	52.0%	54.1%	53.8%	*48.0%*	*51.0%*	Common Equity Ratio	*62.5%*
1492.4	1719.2	1934.0	2085.3	2332.3	3159.4	3479.3	3704.2	3859.7	4088.3	*6785*	*7030*	Total Capital ($mill)	*8390*
1552.5	1614.5	1754.9	1825.4	2062.0	2676.4	2963.2	2972.8	3041.5	3190.5	*4535*	*4985*	Net Plant ($mill)	*6340*
10.9%	11.0%	12.0%	11.0%	12.0%	9.2%	10.7%	10.8%	11.1%	11.3%	*10.5%*	*11.5%*	Return on Total Cap'l	*14.5%*
16.4%	16.7%	18.7%	17.0%	17.8%	15.6%	18.6%	17.3%	17.4%	18.1%	*18.0%*	*19.0%*	Return on Shr. Equity	*20.5%*
16.9%	17.1%	19.0%	17.2%	17.9%	15.6%	18.7%	17.4%	17.5%	18.1%	*18.0%*	*19.0%*	% Return on Com Equity	*20.5%*
8.5%	8.3%	8.7%	6.6%	7.7%	7.1%	8.3%	7.8%	8.0%	8.8%	*8.0%*	*9.5%*	Retained to Com Eq	*13.0%*
51%	52%	55%	62%	58%	55%	56%	55%	54%	52%	*56%*	*50%*	All Div'ds to Net Prof	*37%*

CURRENT POSITION ($MILL.)	1996	1997	6/30/98
Cash Assets	13.9	16.2	36.7
Other	695.6	649.6	665.4
Current Assets	709.5	665.8	702.1
Accts Payable	240.6	237.9	210.1
Debt Due	37.8	48.0	48.0
Other	312.3	351.4	404.4
Current Liab.	590.7	637.3	662.5
Fix. Chg. Cov.	535%	578%	626%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '95-'97 to '01-'03
Revenues	9.0%	9.5%	10.0%
"Cash Flow"	8.0%	11.0%	9.5%
Earnings	9.5%	10.5%	12.5%
Dividends	8.5%	8.0%	5.5%
Book Value	7.5%	10.5%	9.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	763.6	786.5	785.8	773.8	3109.7
1996	774.3	804.4	807.4	806.3	3192.4
1997	784.3	816.9	813.8	848.6	3263.6
1998	1201.8E	1333.1E	*1340*	*1360.1*	*5235*
1999	*1350*	*1495*	*1510*	*1530*	*5885*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	.41	.43	.45	.47	1.76
1996	.45	.48	.48	.51	1.92
1997	.49	.52	.53	.58	2.12
1998	.47E	.52E	*.54*	*.57*	*2.10*
1999	*.57*	*.62*	*.64*	*.67*	*2.50*

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1994	.22	.22	.22	.22	.88
1995	.24	.24	.24	.24	.96
1996	.26	.26	.26	.26	1.04
1997	.275	.275	.275	.275	1.10
1998	.29	.29	.29	.29	

BUSINESS: ALLTEL Corp. provides local, long-distance, wireless, and Internet service to 5.6 million customers in 22 states. Also provides information svcs worldwide. Acq'd Systematics 5/90, Computer Power 3/91, TDS Healthcare 10/93, 360° Comm. 7/98. 1997 rev. breakdown: telephone, 39% (56% of op. inc.); data process. mgmnt, 30% (18%); wireless (8.9 mill. POPs), 17% (23%); product distrib., 11% (2%); other, 3% (1%). 95% of switches are digital. '97 deprec. rate: 8.2%. Est. plant age: 5 yrs. Has 20,000 employees, 92,000 stkhlders. Stephens Grp owns 9.0% of com. stock, Cincinnati Fin'l, 7.0%, Off's & Dir's, 1.1% (5/98 proxy). Chmn. & C.E.O.: Joe T. Ford; Pres. & C.O.O. Scott T. Ford. Inc.: DE. Addr.: One Allied Dr., Little Rock, AR 72202. Tel.: 501-661-8000.

Our estimates and projections for ALLTEL now reflect the acquisition of 360° Communications. ALLTEL completed the deal last July, issuing 91 million common shares and assuming $1.8 billion in debt. We look for annual operating savings from the integration of 360° to progress from $20 million in 1998 to $100 million by 2000. 360° enhances ALLTEL's ability to offer bundled wireline, wireless, data, and Internet services. Indeed, a larger market presence provides ALLTEL greater leverage in an industry where competition is intensifying. The combined company will likely produce low-double-digit revenue and share-earnings growth annually to 2001-2003.

360° should help support strong wireless results. Players in this telecom sector have had to contend with declining monthly average revenue per customer, due to increased price competition, and lower revenue per minute of use as new customers, who purchase limited service, are added. Through the first half of this year, 360°'s revenue per customer was essentially flat, on a year-over-year basis, at $45.46. The second-quarter number, $47.43, was up a respectable 1.2%, compared to the year-earlier figure. ALLTEL's revenue per customer slipped in the first six months of 1998 to $51.00 from $53.00 in the comparable '97 period, but the second-quarter rate of $51.00 was better than the first-quarter tally of $49.00; the average industry rate is about $45.00. Improving economies of scale should help ALLTEL widen profit margins even if revenue per customer and revenue per minute growth remain sluggish.

Good-quality ALLTEL shares offer better total returns to 2001-2003 than the industry averages. Wireline operations are performing nicely as evidenced by solid local access line growth (6% annualized), and strong network access and long-distance revenue gains (12% through June 30th). Start-up costs of competitive local access, Internet, and network management businesses have limited operating income advances this year, but these offerings should pay off in the long run. The information services unit is posting strong revenue and operating income gains of 20% and 10%, respectively.

David M. Reimer *October 9, 1998*

(A) Basic earnings in '97; prior year earnings are diluted. Excludes nonrecurring gains (losses): '86, (37¢); '87, 16¢; '88, 9¢; '91, 2¢; '92, (3¢); '93, 10¢; '94, (17¢); '95, (28¢); '96, (39¢); '97, 58¢; '98, *(19¢)*. Next earnings report due late Oct. (B) Next dividend meeting about Oct. 23. Goes ex about Dec. 3. Dividend payment dates: about the 3rd of January, April, July, and October. ■ Dividend reinvestment plan available (C) Includes intangibles. In '97: $606.5 million, $3.30/share. (D) In millions, adj. for stock splits. (E) Pro forma.

Company's Financial Strength	B++
Stock's Price Stability	85
Price Growth Persistence	65
Earnings Predictability	95

AMERITECH NYSE-AIT

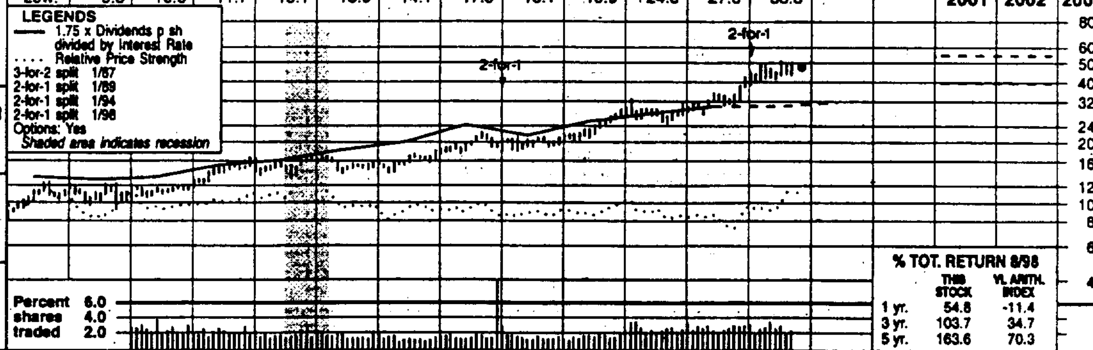
RECENT PRICE	48	P/E RATIO	19.9 (Trailing: 21.4 / Median: 13.0)	RELATIVE P/E RATIO	1.34	DIV'D YLD	2.5%	VALUE LINE	741

TIMELINESS	—	Suspended 5/22/98
SAFETY	2	Lowered 10/9/98
TECHNICAL	—	Suspended 5/22/98

BETA .95 (1.00 = Market)

High:	12.5	12.2	17.1	17.4	17.4	18.5	22.8	21.6	29.7	33.4	43.1	52.1
Low:	9.3	10.3	11.7	13.1	13.9	14.1	17.5	18.1	19.9	24.8	27.6	38.8

Target Price Range 2001 | 2002 | 2003



2001-03 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+15%)	6%
Low	40	(-15%)	-1%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	0	0	0	1
Options	0	0	0	0	0	0	0	0	1
to Sell	0	1	0	0	3	0	0	0	1

Institutional Decisions

	4Q1997	1Q1998	2Q1998
to Buy	333	304	278
to Sell	224	288	311
Hld's(000)	525975	541062	537317

% TOT. RETURN 8/98

	THIS STOCK	VL ARITH. INDEX
1 yr.	54.8	-11.4
3 yr.	103.7	34.7
5 yr.	163.6	70.3

1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	© VALUE LINE PUB., INC.	01-03
--	--	7.09	7.72	8.20	8.68	9.20	9.45	10.08	10.14	10.32	10.71	11.40	12.12	13.56	14.53	*16.10*	*17.95*	Revenues per sh	*25.15*
--	--	1.99	2.29	2.46	2.71	2.75	2.81	2.91	2.95	3.13	3.30	3.53	3.67	4.07	4.42	*4.90*	*5.45*	"Cash Flow" per sh	*7.70*
--	--	.85	.92	.98	1.06	1.11	1.15	1.18	1.16	1.26	1.34	1.54	1.71	1.92	2.14	*2.35*	*2.60*	Earnings per sh A	*3.70*
--	--	.50	.55	.60	.64	.69	.75	.81	.86	.89	.93	.97	1.02	1.08	1.15	*1.20*	*1.25*	Div'ds Decl'd per sh B■	*1.40*
--	--	1.48	1.70	1.82	1.78	1.74	1.82	2.00	2.02	2.07	1.91	1.70	1.91	2.22	2.40	*2.45*	*2.50*	Cap'l Spending per sh	*2.60*
--	--	6.02	6.38	6.66	6.93	7.28	7.11	7.31	7.59	6.47	7.18	5.49	6.33	6.99	7.55	*8.65*	*9.95*	Book Value per sh	*15.65*
--	--	1177.1	1168.2	1141.8	1098.4	1076.8	1080.8	1057.3	1066.5	1080.7	1093.3	1102.9	1107.7	1099.9	1100.7	*1090.0*	*1080.0*	Common Shs Outst'g C	*1050.0*
--	--	6.9	8.1	10.7	10.5	10.3	12.5	13.0	13.4	12.9	14.7	13.1	14.0	14.8	15.5	*Bold figures are*		Avg Ann'l P/E Ratio	*13.0*
--	--	.64	.66	.73	.70	.86	.95	.97	.86	.78	.87	.86	.94	.93	.89	*Value Line*		Relative P/E Ratio	*.95*
--	--	8.6%	7.4%	5.7%	5.8%	6.0%	5.2%	5.2%	5.5%	5.5%	4.7%	4.8%	4.3%	3.8%	3.5%	*estimates*		Avg Ann'l Div'd Yield	*2.9%*
						9903.3	10211	10663	10818	11153	11710	12570	13428	14917	15998	*17550*	*19400*	Revenues ($mill)	*26400*
						1203.4	1238.2	1253.8	1232.9	1346.0	1451.1	1687.5	1887.6	2116.0	2346.0	*2570*	*2835*	Net Profit ($mill)	*3920*
						33.8%	30.6%	30.7%	30.3%	31.8%	32.1%	33.5%	34.8%	36.0%	36.9%	*36.0%*	*36.0%*	Income Tax Rate	*36.0%*
						12.2%	12.1%	11.8%	11.4%	12.1%	12.4%	13.4%	14.1%	14.2%	14.7%	*14.6%*	*14.6%*	Net Profit Margin	*14.8%*
						36.4%	39.7%	39.6%	38.0%	39.6%	34.3%	42.3%	39.2%	36.6%	35.7%	*33.4%*	*31.7%*	Long-Term Debt Ratio	*25.5%*
						63.6%	60.3%	60.4%	62.0%	60.4%	65.7%	57.7%	60.8%	63.4%	64.3%	*64.9%*	*66.8%*	Common Equity Ratio	*73.4%*
						12331	12755	12807	13061	11578	11935	10503	11528	12124	12918	*14545*	*16130*	Total Capital ($mill)	*22415*
						16078	16296	16652	16986	17335	17366	13455	13457	13507	13873	*14105*	*14115*	Net Plant ($mill)	*14150*
						11.3%	11.1%	11.2%	11.1%	13.1%	13.3%	17.8%	17.8%	18.8%	18.2%	*19.5%*	*19.5%*	Return on Total Cap'l	*19.0%*
						15.3%	16.1%	16.2%	15.2%	19.3%	18.5%	27.9%	26.9%	27.5%	28.2%	*26.5%*	*25.5%*	Return on Shr. Equity	*23.5%*
						15.3%	16.1%	16.2%	15.2%	19.3%	18.5%	27.9%	26.9%	27.5%	28.2%	*26.5%*	*25.5%*	Return on Com Equity	*23.5%*
						5.9%	5.9%	5.3%	4.1%	5.8%	5.8%	10.5%	11.1%	12.3%	13.3%	*13.5%*	*14.0%*	Retained to Com Eq	*14.5%*
						61%	63%	67%	73%	70%	69%	62%	59%	55%	53%	*50%*	*48%*	All Div'ds to Net Prof	*39%*

CAPITAL STRUCTURE as of 6/30/98
Total Debt $8294 mill. **Due in 5 Yrs** $4000 mill.
LT Debt $7013 mill. **LT Interest** $345 mill.
Incl. $9.0 mill. capitalized leases.
(LT interest earned: 12.2x; total interest coverage: 8.3x)

Leases, Uncapitalized: Annual rentals $115 mill.
Pension Liability None
Pfd Stock None

Common Stock 1,102,393,709 shs. as of 7/31/98
MARKET CAP: $53 billion (Large Cap)

CURRENT POSITION ($MILL.)	1996	1997	6/30/98
Cash Assets	145.0	239.0	280.0
Other	3654.0	4310.0	4854.0
Current Assets	3799.0	4549.0	5134.0
Accts Payable	1836.0	1955.0	1928.0
Debt Due	3155.0	3036.0	1281.0
Other	1841.0	2250.0	3103.0
Current Liab.	6832.0	7241.0	6312.0
Fix. Chg. Cov.	647%	752%	786%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '95-'97 to '01-'03
Revenues	5.0%	5.5%	*11.0%*
"Cash Flow"	5.0%	6.0%	*11.0%*
Earnings	7.0%	10.0%	*11.5%*
Dividends	6.0%	5.0%	*4.5%*
Book Value	.5%	-.5%	*14.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	3146	3369	3381	3532	13428
1996	3567	3744	3722	3884	14917
1997	3859	3986	4006	4147	15998
1998	4133	4289	*4500*	*4628*	*17550*
1999	*4600*	*4900*	*4875*	*5025*	*19400*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	.38	.46	.42	.45	1.71
1996	.43	.51	.47	.51	1.92
1997	.49	.57	.53	.55	2.14
1998	.53	.63	*.57*	*.62*	*2.35*
1999	*.59*	*.69*	*.64*	*.68*	*2.60*

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1994	.24	.24	.24	.24	.96
1995	.25	.25	.25	.25	1.00
1996	.265	.265	.265	.265	1.06
1997	.283	.283	.283	.283	1.13
1998	.30	.30	.30		

BUSINESS: Ameritech is a holding company for IL, IND, MICH, OH, and WI Bells & other subsidiaries, which provide communications services. Price cap regulated. Access lines: 20.5 million. Cellular subscribers: 3.2 million. Paging customers: 1.5 million. '97 revenue breakdown: local service, 40%; long-distance, 9%; network access, 19%; other, 32%. Owns 41.6% of Tele Danmark, 29.8% of MATAV (Hungary), 19.7% of NetCom (Norway), 17.5% of Belgacom. Customer lines/Bell employee: 392. '97 depreciation rate: 7.3%. Has about 74,350 employees, and 760,075 shareholders. Chairman & C.E.O.: Richard C. Notebaert. Inc.: Delaware. Address: 30 South Wacker Drive, Chicago, Illinois 60606. Telephone: 312-750-5000. Internet address: http://www.ameritech.com

Ameritech has posted 19 consecutive quarters of double-digit earnings growth. Indeed, during the second quarter, the company posted record sales and earnings figures, thanks to strong gains in its core business and rapid growth in its data services division. What's more, Ameritech's bottom line was bolstered by strong contributions from its international telecom investments. And in order to focus its efforts in North American and European growth opportunities, the company liquidated almost all of its stake in New Zealand Telecom during the interim. (In keeping with *Value Line* convention, we have excluded the $1.0 billion sale from our earnings presentation.)

And we expect much of the same in the coming periods, as the company is set to reap the rewards of a $3 billion cost-cutting program over the next five years. And new business initiatives, which are partially financed by these cost savings, should help boost share net in the current year and beyond. All told, we look for earnings to approximate the $2.35 mark in 1998, and increase by an additional 10% the following year.

The Ameritech/SBC Communications merger is still pending. According to the terms of the transaction, which should be completed by mid-1999, each AIT shareholder would receive 1.316 SBC shares for each share of AIT held. Naturally, the deal must first receive a seal of approval from the shareholders of both companies (which should happen sometime during the fourth quarter), as well as from the usual regulatory agencies. If the merger is approved, the shareholders of both companies should prosper, as the new entity will benefit from a strong management and operating fit, the traffic flow among its various regions and the lack of any significant overlap in territories.

Most of the good news appears to be already reflected in the price of these shares. At the current quotation, Ameritech's 3- to 5-year appreciation potential is well below the *Value Line* median. However, should the SBC merger be completed, our projections through that period may well prove low. *Please note that Ameritech stock is not ranked for Timeliness due to the pending acquisitions.*

Kenneth A. Nugent *October 9, 1998*

(A) Based on avg. shs. out. through '96, basic thereafter. Excludes net nonrecurring gains (losses): '88, 4¢; '90, (3¢); '91, (5¢); '92, ($1.61); '93, 6¢; '94, ($2.51); '95, 11¢; '96, 2¢; '97, (6¢); Q1 '98, (9¢), Q2 '98, $0.91. Next earnings report due mid-Oct.
(B) Next dividend meeting about Dec. 16th. Goes ex about Dec. 25th. Dividend payment dates about 1st of February, May, August, and November. ■ Div'd reinvestment plan available.
(C) In millions, adjusted for stock splits.

Company's Financial Strength	A+
Stock's Price Stability	75
Price Growth Persistence	90
Earnings Predictability	100

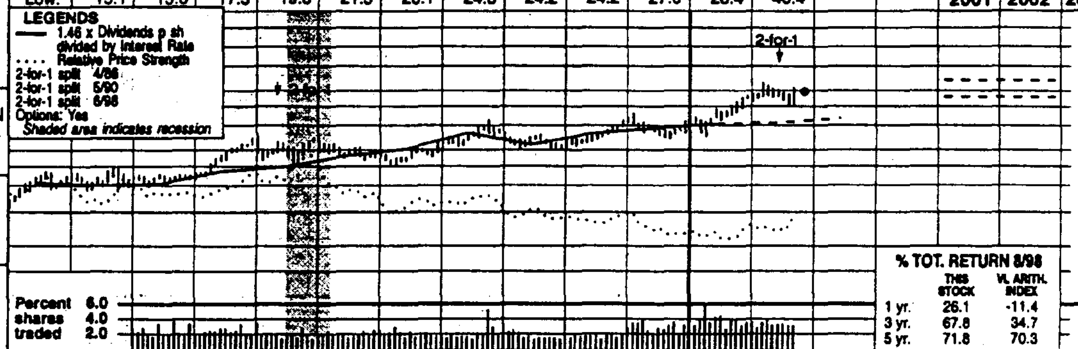
BELL ATLANTIC NYSE-BEL

RECENT PRICE 48 | P/E RATIO 17.3 (Trailing: 18.5; Median: 15.0) | RELATIVE P/E RATIO 1.16 | DIV'D YLD 3.3% | VALUE LINE 742

TIMELINESS 3 Raised 10/10/97
SAFETY 1 Raised 4/15/94
TECHNICAL 3 Lowered 7/17/98
BETA .95 (1.00 = Market)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
High:	19.9	18.6	28.1	28.6	27.1	26.9	34.5	29.8	34.4	37.4	45.9	53.0
Low:	15.1	15.6	17.3	19.8	21.5	20.1	24.8	24.2	24.2	27.6	28.4	40.4

Target Price Range 2001 | 2002 | 2003



2001-03 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+15%)	7%
Low	45	(-5%)	2%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	0	0	0	0
Options	6	4	6	2	2	1	2	0	0
to Sell	3	3	4	1	2	1	0	1	0

Institutional Decisions

	4Q1997	1Q1998	2Q1998
to Buy	386	362	332
to Sell	279	337	368
Hld's(000)	603324	623752	588540

% TOT. RETURN 8/98

	THIS STOCK	VL ARITH. INDEX
1 yr.	26.1	-11.4
3 yr.	67.8	34.7
5 yr.	71.8	70.3

1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	F1996	F1997	1998	1999	© VALUE LINE PUB., INC.	01-03
--	--	10.15	11.37	12.47	13.00	13.81	14.51	15.64	15.50	14.56	14.89	15.81	15.34	14.94	19.61	***20.20***	***21.40***	Revenues per sh	***25.65***
--	--	2.72	3.23	3.89	4.24	4.66	4.53	4.69	4.58	4.38	4.62	4.81	4.94	4.95	5.97	***6.35***	***6.85***	"Cash Flow" per sh	***8.40***
--	--	1.24	1.37	1.46	1.56	1.66	1.67	1.69	1.71	1.62	1.70	1.77	1.94	1.98	2.48	***2.70***	***3.00***	Earnings per sh (A)	***3.70***
--	--	.80	.85	.90	.96	1.02	1.10	1.18	1.26	1.30	1.34	1.38	1.40	1.43	1.49	***1.55***	***1.60***	Div'ds Decl'd per sh (B) ■	***1.78***
--	--	2.40	2.71	2.88	2.98	3.12	3.28	3.21	3.10	2.95	2.89	3.04	3.05	2.92	4.95	***4.10***	***4.20***	Cap'l Spending per sh	***4.50***
--	--	9.42	9.91	10.45	11.03	11.64	10.89	11.36	9.89	9.00	9.43	6.97	7.63	8.48	8.24	***11.10***	***12.45***	Book Value per sh	***17.50***
--	--	796.93	798.98	795.89	792.37	788.06	788.91	786.38	792.10	868.40	872.44	872.60	875.53	875.63	1553.0	***1555.0***	***1556.0***	Common Shs Outst'g (C)	***1562.0***
--	--	7.3	8.2	11.1	11.2	10.5	13.4	14.5	14.0	14.2	17.0	15.1	14.8	15.8	14.9	*Bold figures are*	*Value Line*	Avg Ann'l P/E Ratio	***14.0***
--	--	.68	.67	.75	.75	.87	1.01	1.08	.89	.86	1.00	.99	.99	.99	.86	*estimates*		Relative P/E Ratio	***1.00***
--	--	8.8%	7.6%	5.5%	5.5%	5.8%	4.9%	4.8%	5.3%	5.7%	4.7%	5.2%	4.9%	4.6%	4.0%			Avg Ann'l Div'd Yield	***3.4%***

CAPITAL STRUCTURE as of 6/30/98
Total Debt $19856.0 mill. Due in 5 Yrs $6200 mill.
LT Debt $15503.2 mill. LT Interest $955.0 mill.
Incl. $108.1 mill. capitalized leases.
(LT interest earned: 5.9x; total interest coverage: 5.9x)

Leases, Uncapitalized Annual rentals $84.3 mill.
Pension Liability None
Pfd Stock None

Common Stock 1,553,473,710 shs.
adjusted for 2-for-1 split on 6/29/98.
MARKET CAP: $75 billion (Large Cap)

1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999		01-03
10880	11449	12298	12280	12647	12990	13791	13430	13081	30457	***31410***	***33300***	Revenues ($mill)	***40050***
1316.8	1319.3	1312.5	1331.6	1382.2	1481.6	1542.7	1699.6	1739.4	3709.5	***4200.0***	***4670.0***	Net Profit ($mill)	***5785.0***
28.7%	29.9%	33.8%	33.3%	31.8%	34.8%	38.4%	36.9%	36.8%	38.8%	***37.0%***	***37.0%***	Income Tax Rate	***37.0%***
12.1%	11.5%	10.7%	10.8%	10.9%	11.4%	11.2%	12.7%	13.3%	12.2%	***13.5%***	***14.0%***	Net Profit Margin	***14.4%***
41.7%	47.3%	47.8%	50.4%	48.5%	46.7%	52.8%	48.9%	44.5%	49.2%	***39.8%***	***33.7%***	Long-Term Debt Ratio (D)	***17.5%***
58.3%	52.7%	52.2%	49.6%	51.5%	53.3%	47.2%	51.1%	55.5%	47.4%	***59.5%***	***65.7%***	Common Equity Ratio	***81.9%***
15734	16311	17101	15791	15165	15431	12887	13091	13383	26966	***28945***	***29465***	Total Capital ($mill) (D)	***33435***
18174	18874	19447	19962	20330	20366	16938	15921	15916	35039	***36500***	***38000***	Net Plant ($mill)	***40500***
9.8%	9.5%	9.2%	10.2%	11.3%	11.2%	13.7%	14.6%	14.4%	16.0%	***16.5%***	***17.5%***	Return on Total Cap'l	***18.5%***
14.3%	15.4%	14.7%	17.0%	17.7%	18.0%	25.4%	25.4%	23.4%	29.0%	***24.0%***	***24.0%***	Return on Shr. Equity	***21.0%***
14.3%	15.4%	14.7%	17.0%	17.7%	18.0%	25.4%	25.4%	23.4%	29.0%	***24.0%***	***24.0%***	Return on Com Equity	***21.0%***
5.7%	5.4%	4.5%	4.5%	4.0%	4.0%	5.7%	7.2%	6.6%	10.7%	***10.0%***	***11.0%***	Retained to Com Eq	***10.5%***
60%	65%	69%	73%	77%	78%	77%	72%	72%	63%	***58%***	***55%***	All Div'ds to Net Prof	***49%***

CURRENT POSITION ($MILL.)	1996	1997	6/30/98
Cash Assets	424.2	322.8	303.1
Other	3523.8	8678.0	8699.7
Current Assets	3948.0	9000.8	9002.8
Accts Payable	1667.5	5966.4	6103.4
Debt Due	2137.3	6342.8	4352.8
Other	1898.0	1355.0	1362.9
Current Liab.	5702.8	13664.2	11819.1
Fix. Chg. Cov.	557%	449%	538%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '95-'97 to '01-'03
Revenues	3.0%	2.0%	*7.5%*
"Cash Flow"	3.5%	3.0%	*8.0%*
Earnings	4.0%	5.0%	*9.5%*
Dividends	4.5%	3.0%	*3.5%*
Book Value	-2.5%	-4.0%	*13.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) F Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	3450	3585	3261	3154	13430
1996	3220	3223	3267	3371	13081
1997	7450	7738	7537	7732	30457
1998	7651	7928	*7875*	*7956*	*31410*
1999	*8300*	*8500*	*8200*	*8300*	*33300*

Cal-endar	EARNINGS PER SHARE A F Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	.48	.51	.51	.44	1.94
1996	.53	.53	.53	.39	1.98
1997	.61	.63	.62	.62	2.48
1998	.66	.68	*.68*	*.68*	*2.70*
1999	*.73*	*.77*	*.77*	*.73*	*3.00*

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1994	.335	.345	.345	.345	1.37
1995	.345	.350	.350	.350	1.40
1996	.350	.360	.360	.360	1.43
1997	.360	.370	.370	.385	1.49
1998	.385	.385	.385		

BUSINESS: Bell Atlantic Corp., which merged with NYNEX in August of '97, is a diversified telecom company with 40 mill. telephone access lines and 5.5 mill. wireless customers worldwide. The company is the premier provider of local telecom services in the Mid-Atlantic region. Combined cellular ops. with NYNEX, 7/95, and now owns 62% interest in Bell Atlantic NYNEX Mobile. About 94% of switching is digital. '97 telco rev. breakdown: local service, 43%; access charges, 24%; toll, 7%; other, 26%. Telco emplys. per 10,000 access lines: 30.6. '97 depr. rate: 7.2%. Est. plant age: 7 years. Has 141,089 employees, 1.3 million shareholders. Chairman: R.W. Smith; C.E.O.: Ivan Seidenberg. Inc.: Delaware. Address: 1717 Arch Street, Philadelphia, PA 19103. Telephone: 215-963-6000.

Bell Atlantic has agreed to tie the knot once again. After completing a $25 billion merger with NYNEX in 1997, the company announced in late July that it had signed a definitive merger agreement with GTE. According to the terms of the $53 billion deal, which will be accounted for as a pooling of interests, GTE shareholders will receive 1.22 shares of Bell Atlantic stock for each GTE share held. Should the deal be approved by the stockholders of both companies and the usual regulatory authorities, the combined entity will be the second largest telephone company in the country and will be able to offer local, long-distance, wireless, and data services. (Note that *Value Line's* financial presentations will not include the effects of the deal until it is completed sometime during the second half of 1999.)

Revenues and earnings (on a stand alone basis) should increase at a solid rate in 1998 and 1999 . . . Although 1998 is a transitional year for Bell Atlantic—in as much as the company has had to deal with the aforementioned NYNEX merger, regulatory compliance costs, and access charge reductions — we still look for the company to report top-line growth of roughly 3.0%, with earnings per share increasing by almost 10%. And we expect much of the same for the following year, as the company remains on track to achieve its goal of $1.1 billion in cost savings, $400 million in revenue synergies, and $300 million in capital expenditure savings from the NYNEX merger by 2001.

. . . and the merger would probably benefit the shareholders of both companies, since substantial cost savings will result from the combination. Management expects to generate approximately $2 billion in annualized cost synergies, principally related to economies of scale and other operating efficiencies, by the end of 2002. Too, the merged entity should generate an additional $2 billion in revenue synergies. Lastly, we look for the merger to be accretive to earnings during the first full year of operations.

On their own, Bell Atlantic shares offer unattractive appreciation potential 3 to 5 years hence. Over the next six to 12 months, the stock is ranked to mirror the broader market averages.

Kenneth A. Nugent *October 9, 1998*

(A) Based on avg. shs. out. Excl. nonrec. gains (losses): '91, ($1.97); '92, $0.05; '93, $0.04; '94, ($2.63); '95, $0.18; '96, $0.16; '97, $0.90; Q1 '98, $0.10, Q2 '98, $0.03. Next earnings report due late Oct. (B) Next div'd meeting about Dec. 25th. Goes ex about Jan. 7th. Expected div. pay't dates: Feb. 1, May 1, Aug. 1, Nov. 1.■ Div'd reinv. plan avail. (C) In mills. adj. for splits. (D) Inc. fin. sub. from 1988. (E) Cell. ops. are counted in revs prior to 7/1/95, and in equity income henceforth. (F) Historical 1997 data pro forma to include NYNEX.

Company's Financial Strength	A+
Stock's Price Stability	85
Price Growth Persistence	45
Earnings Predictability	90

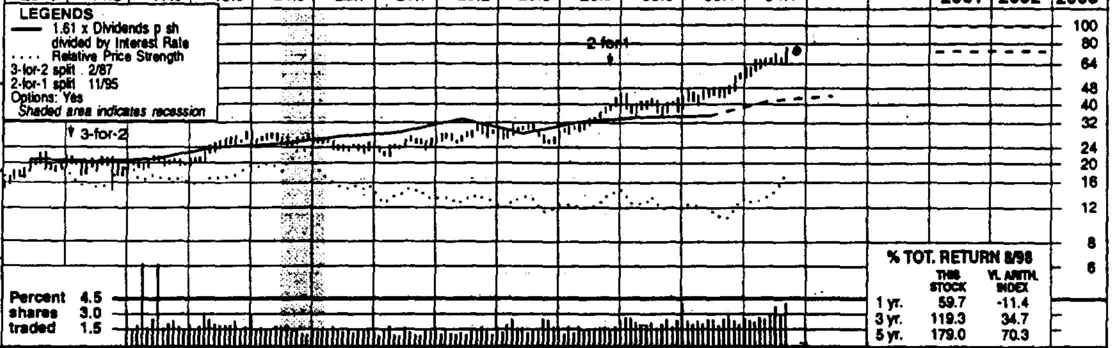
BELLSOUTH NYSE-BLS

RECENT PRICE **75** | P/E RATIO **22.3** (Trailing: 24.4; Median: 15.0) | RELATIVE P/E RATIO **1.50** | DIV'D YLD **2.0%** | VALUE LINE **743**

TIMELINESS **2** Raised 10/2/98
SAFETY **2** Lowered 7/11/97
TECHNICAL **3** Lowered 9/11/98
BETA .95 (1.00 = Market)

High:	22.1	21.9	29.1	29.6	27.5	27.7	31.9	31.8	43.9	45.9	58.1	78.1
Low:	14.6	17.9	19.5	24.5	22.7	21.7	25.2	25.3	26.9	35.3	38.1	54.1

Target Price Range: 2001 | 2002 | 2003



2001-03 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	100	(+35%)	9%
Low	75	(Nil)	2%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	1	0	1	0	0	0	0
Options	2	6	2	0	1	0	0	0	0
to Sell	1	0	2	0	1	0	0	0	0

Institutional Decisions

	4Q1997	1Q1998	2Q1998
to Buy	358	337	319
to Sell	260	305	330
Hld's(000)	343794	359466	359651

% TOT. RETURN 8/98

	THIS STOCK	VL ARITH. INDEX
1 yr.	59.7	-11.4
3 yr.	119.3	34.7
5 yr.	179.0	70.3

1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	© VALUE LINE PUB., INC.	01-03
--	--	10.73	11.64	12.00	12.75	14.65	14.53	15.03	14.89	15.39	16.01	16.97	17.99	19.21	20.73	*23.90*	*26.80*	Revenues per sh	*37.60*
--	--	3.11	3.52	3.69	4.33	4.68	4.68	4.75	4.61	4.75	4.92	5.39	5.72	6.29	6.81	*7.80*	*8.50*	"Cash Flow" per sh	*11.70*
--	--	1.43	1.56	1.70	1.73	1.76	1.74	1.69	1.56	1.69	1.79	2.11	2.24	2.53	2.81	*3.30*	*3.60*	Earnings per sh A	*5.50*
--	--	.86	.94	1.02	1.10	1.18	1.26	1.34	1.38	1.38	1.38	1.38	1.41	1.44	1.44	*1.46*	*1.50*	Div'ds Decl'd per sh B■	*1.64*
--	--	2.53	2.87	2.97	3.13	3.46	3.35	3.34	3.20	3.23	3.51	3.63	4.23	4.50	4.90	*5.50*	*6.65*	Cap'l Spending per sh	*7.70*
--	--	10.49	11.14	11.81	12.45	12.76	13.60	13.27	13.51	13.97	13.60	14.48	11.90	13.37	15.29	*16.35*	*18.45*	Book Value per sh	*28.00*
--	--	897.35	915.80	953.94	962.45	928.09	963.11	954.59	970.22	987.59	992.17	992.49	994.00	991.00	992.00	*976.50*	*976.50*	Common Shs Outst'g C	*976.50*
--	--	7.2	8.4	11.0	11.4	11.5	13.9	15.8	16.0	14.7	15.7	13.6	14.8	15.7	16.6	Bold figures are		Avg Ann'l P/E Ratio	*16.0*
--	--	.67	.68	.75	.76	.95	1.05	1.17	1.02	.89	.93	.89	.99	.98	.98	Value Line		Relative P/E Ratio	*1.15*
--	--	8.3%	7.1%	5.4%	5.6%	5.9%	5.2%	5.0%	5.6%	5.5%	4.9%	4.8%	4.2%	3.6%	3.1%	estimates		Avg Ann'l Div'd Yield	*1.9%*

CAPITAL STRUCTURE as of 6/30/98
Total Debt $11617 mill. Due in 5 Yrs $5680 mill.
LT Debt $8535 mill. LT Interest $625 mill.

(LT interest earned: 9.1x;
total interest coverage: 7.1x)

Leases, Uncapitalized Annual rentals $148 mill.
Pension Liability None

Pfd Stock None

Common Stock 983,704,294 shs.
as of 7/31/98
MARKET CAP: $73.8 billion (Large Cap)

1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	© VALUE LINE PUB., INC.	01-03
13597	13996	14345	14446	15202	15880	16845	17886	19040	20561	*23350*	*26150*	Revenues ($mill)	*36735*
1665.5	1642.2	1631.5	1506.9	1658.4	1772.8	2092.3	2227.0	2519.0	2790.0	*3225*	*3520*	Net Profit ($mill)	*5365*
31.5%	30.9%	32.3%	33.3%	36.0%	35.3%	36.5%	39.3%	39.5%	39.8%	*39.0%*	*39.0%*	Income Tax Rate	*40.0%*
12.2%	11.7%	11.4%	10.4%	10.9%	11.2%	12.4%	12.5%	13.2%	13.6%	*13.8%*	*13.5%*	Net Profit Margin	*14.6%*
37.3%	35.0%	38.1%	37.1%	34.8%	35.4%	34.1%	39.4%	37.2%	31.9%	*35.0%*	*34.0%*	Long-Term Debt Ratio	*30.0%*
62.7%	65.0%	61.9%	62.9%	65.2%	64.6%	65.9%	58.8%	60.8%	65.9%	*65.0%*	*66.0%*	Common Equity Ratio	*70.0%*
18870	20157	20447	20850	21158	20875	21802	20096	21804	23017	*24585*	*27350*	Total Capital ($mill)	*38960*
23455	23742	23907	24059	24273	24668	25162	21092	21825	22861	*24740*	*27455*	Net Plant ($mill)	*36860*
10.4%	9.6%	9.5%	8.6%	9.5%	9.9%	10.8%	12.5%	13.1%	13.6%	*14.5%*	*14.0%*	Return on Total Cap'l	*14.5%*
14.1%	12.5%	12.9%	11.5%	12.0%	13.1%	14.6%	18.8%	19.0%	18.4%	*20.0%*	*19.5%*	Return on Shr. Equity	*19.5%*
14.1%	12.5%	12.9%	11.5%	12.0%	13.1%	14.6%	18.8%	19.0%	18.4%	*20.0%*	*19.5%*	Return on Com Equity	*19.5%*
4.7%	3.5%	2.8%	2.9%	4.2%	3.4%	5.0%	7.1%	8.2%	9.0%	*11.5%*	*11.5%*	Retained to Com Eq	*14.0%*
66%	72%	78%	75%	65%	74%	65%	62%	57%	51%	*44%*	*42%*	All Div'ds to Net Prof	*30%*

CURRENT POSITION ($MILL.)	1996	1997	6/30/98
Cash Assets	1229	2587	2316
Other	5069	5530	5073
Current Assets	6298	8117	7389
Accts Payable	1446	1825	1685
Debt Due	2124	3706	3082
Other	2871	3252	3345
Current Liab.	6441	8783	8092
Fix. Chg. Cov.	663%	706%	654%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '95-'97 to '01-'03
Revenues	5.0%	5.0%	*12.0%*
"Cash Flow"	5.0%	6.0%	*11.0%*
Earnings	4.5%	9.0%	*14.0%*
Dividends	3.5%	1.0%	*2.5%*
Book Value	1.5%	--	*13.0%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	4298	4390	4432	4765	17886
1996	4541	4620	4829	5050	19040
1997	4845	4923	5193	5600	20561
1998	5426	5664	*5900*	*6360*	*23350*
1999	*6075*	*6345*	*6610*	*7120*	*26150*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	.55	.56	.56	.57	2.24
1996	.63	.63	.63	.64	2.53
1997	.70	.66	.71	.74	2.81
1998	.80	.82	*.83*	*.85*	*3.30*
1999	*.87*	*.90*	*.90*	*.93*	*3.60*

Calendar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1994	.345	.345	.345	.345	1.38
1995	.345	.345	.345	.36	1.40
1996	.36	.36	.36	.36	1.44
1997	.36	.36	.36	.36	1.44
1998	.36	.36	.36		

BUSINESS: BellSouth Corp. was the largest telephone holding company resulting from the AT&T breakup until the recent Bell mergers. Through BellSouth Telecom, Inc. subsidiary, serves customers in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee. Access lines in service: 23.7 mill. (12-month growth, 4.2%); '97 rev.: local service, 41%; access charges, 23%; wireless, 17%; toll, 4%; other, 15%. Tel. company employees per 10,000 access lines: 24.8. '97 depr. rate: 7.4%. Est. plant age: 7.8 yrs. Has 81,000 emplys., about 1.0 mill. shrhldrs. Chrmn.: John L. Clendenin. Pres. & C.E.O.: F. Duane Ackerman. Inc.: GA. Addr.: 1155 Peachtree St., N. E., Atlanta, GA 30309. Tel.: 404-249-2000. Internet: www.bellsouth.com.

BellSouth's share price has attained new heights. In late September, the stock hit a new high of $78. More recently, the price has succumbed to broader market pressure. We attribute the still high quote to the telco's strong earnings prospects, investors' flight to quality, and share buybacks. The U.S. data and international wireless markets are driving the favorable year-to-year, net-profit matchups. This equity is timely. Given the share-price increase of the past two years, though, total-return potential to 2001-2003 is limited.

Domestic operations are quite solid. BellSouth's southeast territory, spanning nine states, is economically vibrant. Through the first six months of this year, local service revenues rose a strong 10.4% over first-half 1997 results; annualized access line growth was up a respectable 4.2%. Wireless revenues advanced a modest 2.8% during the period. We look for the local business to post steady low-double-digit annual revenue gains in the years ahead. Going forward, wireless growth likely will slow some, keeping pace with industry trends. Most notable, data and digital services are underpinning the domestic growth numbers; revenues from this sector were up 44% in the most recent June period. In addition, management is continuing efforts to offer long-distance service. State regulators have proved amenable so far, but the Federal Communications Commission wants more evidence that local markets are open to competition. It's our view that BellSouth has the scale to compete well in a deregulated telecom market. Still, rumors persist that the company will purse the acquisition of another large telco, such as Sprint or GTE.

International expansion augurs well for revenue and earnings growth. BellSouth was outbid in the auction for certain of Telebras' wireless operations. Nevertheless, management is developing a solid foothold with its existing business in Brazil and other parts of Latin America. Indeed, wireless revenues from the Continent were up 79% in the first half of 1998. Separately, the company backed out of buying a stake in Otelo, a German telco, in late July, because of unfavorable terms, but other similar foreign investments might well be pursued.

David M. Reimer *October 9, 1998*

(A) Diluted earnings. Next earnings report due late Oct. Excludes extraordinary/nonrecurr. gains (losses): '89, 8¢; '91, (4¢); '92 (4¢); '93, (91¢); '94, 7¢; '95, ($3.41); '96, 35¢; '97, 48¢; '98, *10¢*.
(B) Next div'd meeting about Nov. 24. Goes ex about Jan. 6. Approx. div'd payment dates: the first of Feb., May, Aug., and Nov.
■ Div'd reinvestment plan available.
(C) In millions, adjusted for stock splits.

Company's Financial Strength	A+
Stock's Price Stability	75
Price Growth Persistence	70
Earnings Predictability	95

CENTURY TEL. ENT. NYSE-CTL

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	VALUE LINE
47	22.0	(Trailing: 25.6 Median: 19.0)	1.48	0.6%	745

TIMELINESS **1** Raised 8/7/98

SAFETY **3** New 7/27/90

TECHNICAL **2** Lowered 9/18/98

BETA 1.00 (1.00 = Market)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
High:	5.4	9.4	16.0	16.3	14.4	19.2	22.3	21.5	22.1	23.7	33.6	52.7
Low:	2.9	3.8	8.9	9.7	10.6	12.2	15.5	14.6	18.0	19.0	19.0	32.3

Target Price Range 2001 | 2002 | 2003

2001-03 PROJECTIONS

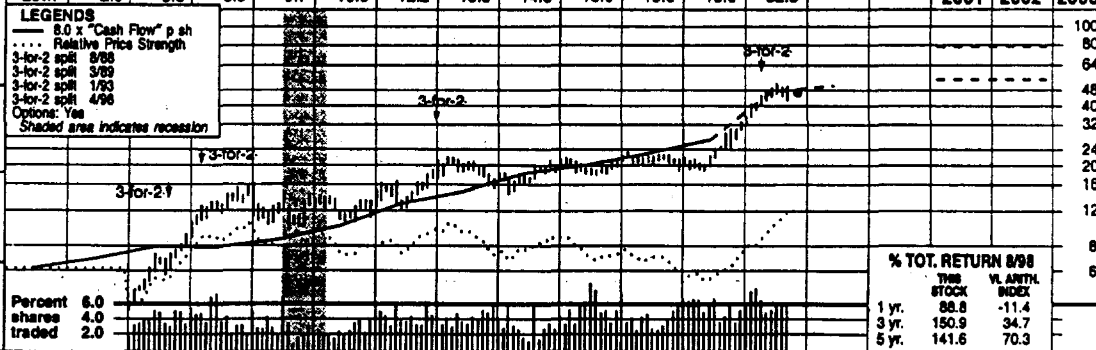
	Price	Gain	Ann'l Total Return
High	80	(+70%)	15%
Low	55	(+15%)	5%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	1	1	0	0	0
Options	2	2	0	2	0	0	3	1	0
to Sell	6	3	0	3	0	0	6	5	0

Institutional Decisions

	4Q1997	1Q1998	2Q1998
to Buy	100	137	109
to Sell	71	63	115
Hld's(000)	60379	67218	62664



% TOT. RETURN 8/98

	THIS STOCK	VL ARITH. INDEX
1 yr.	88.8	-11.4
3 yr.	150.9	34.7
5 yr.	141.6	70.3

1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	© VALUE LINE PUB., INC.	01-03
2.31	2.26	2.45	2.64	2.57	2.63	3.02	3.11	3.59	3.98	4.86	5.63	6.72	7.24	8.35	9.90	*17.00*	*18.80*	Revenues per sh	*26.30*
.68	.69	.74	.79	.73	.87	1.00	1.00	1.09	1.27	1.64	1.88	2.31	2.54	2.90	3.39	*5.95*	*6.25*	"Cash Flow" per sh	*9.05*
.24	.21	.25	.28	.29	.30	.36	.33	.41	.53	.80	.87	1.09	1.27	1.42	1.64	*2.05*	*2.35*	Earnings per sh A	*4.25*
.15	.15	.15	.16	.17	.17	.17	.18	.19	.19	.20	.21	.21	.22	.24	.25	*.26*	*.28*	Div'ds Decl'd per sh B■	*.66*
1.10	1.01	1.07	1.11	.93	1.18	.93	.91	.94	1.36	1.91	2.65	2.50	2.21	2.48	1.99	*3.50*	*3.70*	Cap'l Spending per sh	*3.75*
1.90	1.93	2.04	2.11	2.43	2.42	2.50	3.73	4.04	4.53	5.25	6.67	8.06	9.96	11.34	14.18	*16.40*	*18.60*	Book Value per sh C	*28.35*
39.82	44.03	45.37	51.19	56.82	59.71	60.94	68.67	69.38	70.57	73.35	76.94	80.36	89.01	89.79	91.10	*91.80*	*92.20*	Common Shs Outst'g D	*93.50*
6.2	9.1	6.9	8.0	10.5	12.7	17.5	38.6	29.3	23.6	19.1	22.4	16.6	15.7	15.3	14.8	*Bold figures are*		Avg Ann'l P/E Ratio	*15.5*
.68	.77	.64	.65	.71	.85	1.45	2.92	2.18	1.51	1.16	1.32	1.09	1.05	.96	.86	*Value Line*		Relative P/E Ratio	*1.10*
9.9%	7.9%	9.2%	7.1%	5.4%	4.4%	2.8%	1.4%	1.5%	1.5%	1.3%	1.1%	1.2%	1.1%	1.1%	1.0%	*estimates*		Avg Ann'l Div'd Yield	*1.0%*

CAPITAL STRUCTURE as of 6/30/98
Total Debt $2499.3 mill. Due in 5 Yrs $1850 mill.
LT Debt $2451.8 mill. LT Interest $165.0 mill.
Incl. $2.6 mill. capitalized leases. (63% of Cap'l)
Pension Liability $152.6 mill. in '97 vs. $59.1 mill. in '96.
Pfd Stock $8.1 mill. Pfd Div'd $.4 mill.
Includes 13,902 Series H shs. 7% cum., each cv. into 6.49 com. shs.; 71,727 Series K shs. 5% cum., each cv. into .987 com. shs; 248,043 Series L shs. 5% cum., each cv. into .606 com. shs.
All have liquidation value of $25 per share.
(less than 1% of Cap'l)
Common Stock 91,819,855 shs. (37% of Cap'l) as of 7/31/98
MARKET CAP: $4.3 billion (Mid Cap)

1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	© VALUE LINE PUB., INC.	01-03
184.0	213.2	248.8	281.0	358.8	433.2	540.2	644.8	749.7	901.5	*1560*	*1735*	Revenues ($mill)	*2450*
21.7	22.2	28.5	37.4	57.3	67.9	91.0	112.2	128.5	149.8	*190*	*215*	Net Profit ($mill)	*410*
32.1%	32.6%	35.8%	34.9%	35.3%	35.1%	37.5%	36.3%	36.7%	37.2%	*40.0%*	*40.0%*	Income Tax Rate	*40.0%*
11.8%	10.4%	11.5%	13.3%	16.1%	15.7%	16.8%	17.4%	17.1%	16.6%	*12.1%*	*12.5%*	Net Profit Margin	*16.5%*
53.6%	50.0%	45.1%	44.3%	50.4%	47.3%	44.4%	41.2%	37.8%	66.7%	*60.5%*	*56.0%*	Long-Term Debt Ratio	*50.0%*
45.3%	49.6%	54.8%	55.6%	49.5%	52.7%	55.4%	58.6%	61.6%	33.0%	*39.0%*	*43.5%*	Common Equity Ratio	*50.0%*
336.2	515.9	511.6	574.7	777.4	974.7	1168.8	1511.3	1654.1	3909.8	*3820*	*3930*	Total Capital ($mill)	*5170*
400.8	474.2	491.0	535.0	675.9	827.8	947.1	1047.8	1149.0	2258.6	*2565*	*2550*	Net Plant ($mill)	*2650*
9.5%	6.3%	7.7%	8.3%	9.1%	8.5%	9.2%	8.7%	9.0%	4.5%	*7.0%*	*7.5%*	Return on Total Cap'l	*9.5%*
13.9%	8.6%	10.1%	11.7%	14.9%	13.2%	14.0%	12.6%	12.5%	11.5%	*12.5%*	*12.5%*	Return on Shr. Equity	*15.5%*
14.1%	8.6%	10.1%	11.7%	14.9%	13.2%	14.0%	12.7%	12.6%	11.6%	*12.5%*	*12.5%*	Return on Com Equity	*15.5%*
7.2%	3.9%	5.5%	7.5%	11.2%	10.2%	11.4%	10.5%	10.5%	9.8%	*14.0%*	*14.0%*	Retained to Com Eq	*17.5%*
50%	55%	45%	36%	25%	23%	19%	17%	17%	15%	*12%*	*12%*	All Div'ds to Net Prof	*15%*

CURRENT POSITION ($MILL.)	1996	1997	6/30/98
Cash Assets	8.4	26.0	17.0
Other	100.8	257.5	219.2
Current Assets	109.2	283.5	236.2
Accts Payable	60.5	83.4	76.5
Debt Due	19.9	55.2	47.5
Other	63.7	183.4	155.3
Current Liab.	144.1	322.0	279.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '95-'97 to '01-'03
Revenues	12.5%	15.5%	*20.5%*
"Cash Flow"	14.0%	17.0%	*20.5%*
Earnings	17.5%	20.0%	*19.5%*
Dividends	3.5%	4.5%	*18.5%*
Book Value	17.5%	21.0%	*15.5%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	142.4	149.7	159.1	193.6	644.8
1996	175.8	186.5	193.1	194.3	749.7
1997	199.0	210.6	218.4	273.5	901.5
1998	371.7	388.4	*395*	*404.9*	*1560*
1999	*415*	*430*	*440*	*450*	*1735*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	.29	.30	.36	.32	1.27
1996	.33	.37	.40	.32	1.42
1997	.37	.41	.45	.41	1.64
1998	.45	.53	*.54*	*.53*	*2.05*
1999	*.54*	*.58*	*.63*	*.60*	*2.35*

Calendar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1994	.053	.053	.053	.053	.21
1995	.055	.055	.055	.055	.22
1996	.06	.06	.06	.06	.24
1997	.062	.062	.062	.062	.25
1998	.065	.065	.065		

BUSINESS: Century Telephone Enterprises, Inc. is the 10th largest local telephone company, and 10th largest cellular company in the United States. Acquired Pacific Telecom 12/1/97. Operates for more than 2 million customers in 21 states in the South, Midwest and Pacific Northwest. '97 revenue breakdown: Wireline 59%, Cellular 34%, Other 7%. '97 depreciation rate: 7.1%. Has about 5,700 employees; 6,900 stockholders. ESOP has 32% of voting power, owns 8.3% of common stock; officers and directors, 3.0% of voting power, owns 3.3% of common stock (3/98 Proxy). Chairman: Clarke M. Williams. President & C.E.O.: Glen F. Post III. Inc.: Louisiana. Addr.: 100 Century Park Drive, Monroe, LA 71203. Tel.: (318)388-9500. Internet Address: http://www.centurytel.com

Century Telephone is a good choice for year-ahead market action. Strong earnings momentum generated by its acquisition of Pacific Telecom in late 1997 has helped CTL stock attain *Value Line's* Highest (1) rank for Timeliness. We see annual earnings advancing strongly over the 3- to 5-year pull, as low double-digit sales growth, margin gains, and shrinking interest charges fuel the bottom line.

Revenue expansion in CenturyTel's current markets are likely. Its local and wireless networks are largely located in rural regions. The wide dispersion of the population in these markets make it difficult for potential competitors to enter, thereby insulating CenturyTel from the market-share pressures urban telecoms face. These markets are typically underpenetrated by value-added products, such as Caller-ID and voice mail for residential users, and call-center services for business customers. Moreover, the company is able to use its relationship with its local customers to increase its market share of wireless, long distance, Internet access, and security services. These opportunities for revenue generation, combined with a weaker-than-average threat of competition, add confidence to our revenue and profitability projections.

Further acquisition activity is on the horizon. CenturyTel has recently signed an agreement to purchase 19 Wisconsin exchanges from Ameritech for $225 million. The deal, which should close by year-end, fits the company's strategy to geographically cluster markets. An ample cash flow should give management the financial wherewithal to continue making acquisitions. But should such opportunities not arise, debt reduction is likely. In this regard, CenturyTel has agreed to sell its Alaska operations in a transaction that is slated to close in early 1999. This deal should generate about $300 million in free cash, which should be used to reduce debt.

CenturyTel's stock has been holding its own in recent weeks. Conservative investors might well appreciate this issue's above-average price stability. Furthermore, the probability of earnings enhancements are above average as well. But the stock offers only modest returns out to 2001–2003.

John Marrin *October 9, 1998*

(A) Diluted earnings. Excl. extra. gain: '82, 1¢. Excl. nonrecur. gains (losses): '83, (1¢); '84, 1¢; '87, 8¢; '88, 2¢; '90, 3¢; '92, 19¢; '93, 1¢; '94, 11¢; '95, 2¢; '96, (1¢); '97, $1.16; '98Q1, 16¢; '98Q2, 16¢. Next earnings report due late October. (B) Next div'd meeting about November 26th; goes ex about December 4th. Div'd. payment dates about 15th of March, June, Sept., Dec. ■ Div'd. reinvest. plan avail. (C) Includes intangibles in '97: $1,767.4 mill., $19.40/share. (D) In millions, adjusted for stock splits.

Company's Financial Strength	B++
Stock's Price Stability	75
Price Growth Persistence	80
Earnings Predictability	85

CINCINNATI BELL NYSE-CSN

RECENT PRICE	26	P/E RATIO	19.3 (Trailing: 20.3 / Median: 19.0)	RELATIVE P/E RATIO	1.30	DIV'D YLD	1.5%	VALUE LINE	746

TIMELINESS 4 Lowered 10/9/98
SAFETY 3 Lowered 10/11/96
TECHNICAL 3 Lowered 9/4/98
BETA .90 (1.00 = Market)

2001-03 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+110%)	22%
Low	35	(+35%)	9%

Insider Decisions

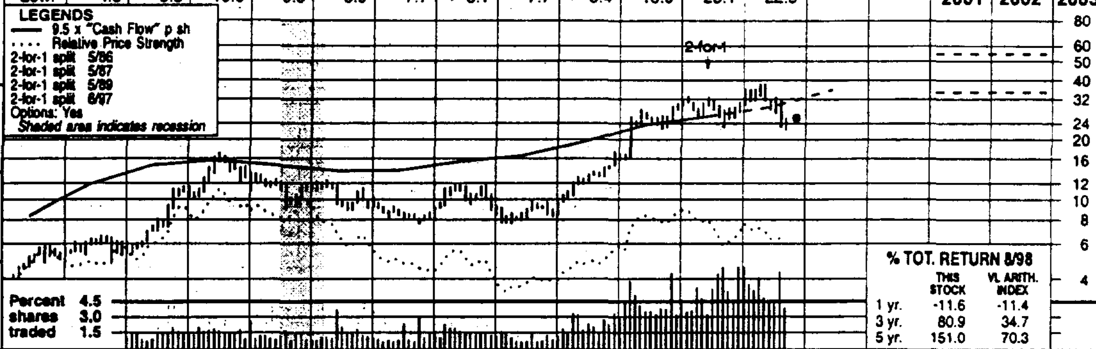
	N	D	J	F	M	A	M	J	J
to Buy	1	0	0	1	0	0	0	0	0
Options	0	0	0	7	0	0	0	0	0
to Sell	0	0	0	7	0	0	0	0	0

Institutional Decisions

	4Q1997	1Q1998	2Q1998
to Buy	85	113	102
to Sell	69	81	94
Hld's(000)	68017	70571	69240

High:	6.7	11.8	17.5	13.9	12.7	10.4	12.2	10.1	17.6	30.8	33.8	38.6
Low:	4.8	5.3	10.0	9.3	8.9	7.7	8.1	7.7	8.4	15.9	23.1	22.5

Target Price Range 2001 2002 2003



% TOT. RETURN 8/98

	THIS STOCK	VL ARITH. INDEX
1 yr.	-11.6	-11.4
3 yr.	80.9	34.7
5 yr.	151.0	70.3

1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	© VALUE LINE PUB., INC.	01-03
2.64	2.93	3.31	3.64	4.05	4.97	5.87	7.40	8.17	8.64	8.89	8.38	9.31	10.01	11.64	12.91	*17.00*	*19.15*	Revenues per sh	*26.45*
.66	.78	.85	.91	.89	1.27	1.58	1.68	1.59	1.48	1.49	1.65	1.77	2.07	2.52	2.78	*3.10*	*3.80*	"Cash Flow" per sh	*5.20*
.27	.33	.36	.39	.44	.50	.66	.75	.72	.50	.39	.43	.60	.86	1.22	1.48	*1.30*	*1.75*	Earnings per sh A	*2.90*
.17	.18	.19	.21	.22	.24	.28	.34	.38	.40	.40	.40	.40	.40	.40	.40	*.40*	*.40*	Div'ds Decl'd per sh B■	*.46*
.52	.34	.45	.76	.60	.68	.85	1.59	1.63	1.31	1.19	1.28	1.11	.86	1.16	1.71	*1.90*	*2.05*	Cap'l Spending per sh	*2.20*
2.39	2.55	2.76	2.95	3.21	3.51	4.37	4.81	5.24	4.72	4.59	3.97	4.19	3.58	4.69	4.26	*6.75*	*8.45*	Book Value per sh D	*15.10*
150.51	146.19	135.21	133.95	131.67	127.89	124.42	119.80	121.87	123.19	123.91	129.96	131.90	133.45	135.20	136.10	*136.50*	*138.00*	Common Shs Outst'g C	*140.00*
6.9	7.0	6.7	7.7	10.9	11.9	11.8	18.1	16.2	21.4	22.6	24.5	14.6	14.7	19.5	20.4	*Bold figures are*		Avg Ann'l P/E Ratio	*16.0*
.76	.59	.62	.63	.74	.80	.98	1.37	1.20	1.37	1.37	1.45	.96	.98	1.22	1.18	*Value Line*		Relative P/E Ratio	*1.15*
9.2%	7.6%	7.7%	7.1%	4.5%	4.0%	3.6%	2.5%	3.3%	3.7%	4.6%	3.8%	4.6%	3.2%	1.7%	1.4%	*estimates*		Avg Ann'l Div'd Yield	*1.0%*

CAPITAL STRUCTURE as of 6/30/98
Total Debt $1174.4 mill. Due in 5 Yrs $905.0 mill.
LT Debt $268.5 mill. LT Interest $26.5 mill.
Includes $38.7 mill. capitalized leases

(LT interest coverage: 11.4x; total interest coverage: 4.6x)

Pension Liability none in '97 vs. $13.9 mill. in '96

Pfd Stock None

Common Stock 136,386,989 shares
MARKET CAP: $3.5 billion (Mid Cap)

1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999		01-03
730.3	887.1	996.0	1064.7	1101.4	1089.6	1228.2	1336.1	1573.7	1756.8	*2320*	*2645*	Revenues ($mill)	*3700*
84.3	94.4	91.0	65.7	51.8	56.5	79.2	114.2	167.6	193.6	*180*	*245*	Net Profit ($mill)	*410*
25.7%	26.0%	31.4%	26.3%	30.4%	21.7%	35.7%	24.7%	34.9%	34.8%	*35.0%*	*35.0%*	Income Tax Rate	*35.0%*
11.5%	10.6%	9.1%	6.2%	4.7%	5.2%	6.5%	8.5%	10.7%	11.0%	*7.8%*	*9.3%*	Net Profit Margin	*11.1%*
37.2%	38.6%	40.6%	41.0%	35.8%	50.4%	48.9%	44.7%	30.6%	31.7%	*29.0%*	*31.0%*	Long-Term Debt Ratio	*33.0%*
62.8%	61.4%	59.4%	53.5%	58.1%	49.6%	51.1%	55.3%	69.4%	68.3%	*71.0%*	*69.0%*	Common Equity Ratio	*67.0%*
866.4	938.3	1075.7	1086.8	979.0	1038.5	1080.7	864.9	913.9	848.9	*1295*	*1685*	Total Capital ($mill)	*3130*
824.1	894.9	983.5	1030.7	1036.8	1047.6	1036.2	993.9	985.8	703.2	*725*	*725*	Net Plant ($mill)	*705*
10.9%	11.4%	10.1%	7.7%	6.6%	7.6%	9.5%	16.1%	19.6%	24.0%	*15.0%*	*15.5%*	Return on Total Cap'l	*14.0%*
15.5%	16.4%	14.2%	10.2%	8.2%	11.0%	14.3%	23.9%	26.4%	33.4%	*19.5%*	*21.0%*	Return on Shr. Equity	*19.5%*
15.2%	15.6%	13.6%	10.5%	8.3%	11.0%	14.3%	23.9%	26.4%	33.4%	*19.5%*	*21.0%*	Return on Com Equity	*19.5%*
9.0%	8.8%	6.6%	2.2%	NMF	.6%	-4.9%	12.8%	18.0%	24.0%	*13.5%*	*16.0%*	Retained to Com Eq	*16.0%*
42%	46%	54%	80%	104%	94%	66%	46%	32%	28%	*31%*	*23%*	All Div'ds to Net Prof	*16%*

CURRENT POSITION ($MILL.)	1996	1997	6/30/98
Cash Assets	2.0	9.9	1.6
Other	388.6	440.1	572.5
Current Assets	390.6	450.0	574.1
Accts Payable	179.8	197.6	264.1
Debt Due	224.2	190.6	905.9
Other	108.3	146.7	127.7
Current Liab.	512.3	534.9	1297.7
Fix. Chg. Cov.	527%	650%	444%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '95-'97 to '01-'03
Revenues	10.5%	6.0%	*15.0%*
"Cash Flow"	9.0%	10.0%	*13.5%*
Earnings	10.0%	17.0%	*16.5%*
Dividends	6.0%	.5%	*2.5%*
Book Value	2.5%	-3.0%	*24.0%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	331.8	334.1	327.0	343.2	1336.1
1996	362.1	376.0	403.2	432.4	1573.7
1997	429.5	433.1	433.2	461.0	1756.8
1998	508.1	567.2	*599.7*	*645*	*2320*
1999	*650*	*650*	*655*	*690*	*2645*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	.20	.21	.22	.23	.86
1996	.29	.30	.31	.32	1.22
1997	.35	.37	.38	.39	1.48
1998	.36	.31	*.31*	*.32*	*1.30*
1999	*.41*	*.43*	*.45*	*.46*	*1.75*

Calendar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1994	.10	.10	.10	.10	.40
1995	.10	.10	.10	.10	.40
1996	.10	.10	.10	.10	.40
1997	.10	.10	.10	.10	.40
1998	.10	.10	.10		

BUSINESS: Cincinnati Bell Inc. supplies telephone and other communications services to Cincinnati and adjacent counties. Serves about one million access lines. Unregulated operations are mainly in information services, software related to telecommunications (CBIS), and telemarketing services (Matrixx Marketing). 96% of telephone lines are served by digital switches. 1997 income breakdown: Commun. Servs., 54%; CBIS, 32%; Matrixx, 14%. 1997 deprec. rate: 9.2%. Est. plant age: 5 years. Has about 20,800 empl. Western and Southern Life owns 9.5% of shares; FMR Corp., 5.2% (3/98 proxy). Chrmn.: Charles S. Mechem. Pres. & C.E.O.: J.T. LaMacchia. Inc.: Ohio. Addr.: 201 E. 4th St., P.O. Box 2301, Cincinnati, Ohio 45201. Tel.: 800-345-6301. Internet: www.cinbellinc.com

Cincinnati Bell recently began separating its billing and customer management divisions. In an August initial public offering, the company sold roughly 10% of these operations—renamed Convergys Corp.—to the public at $15 a share. Cincinnati Bell received approval from the I.R.S. to spin-off the remainder of Convergys tax free to CSN shareholders later this year. The ongoing operations of Cincinnati Bell will then consist of its communications services unit, principally the Cincinnati Bell Telephone Company (CBT) and related services: long distance, directories, and wireless, including digital personal communications services (PCS).

A modified local service price cap is now in effect in Ohio. CBT has agreed to freeze local, residential phone service rates for three years. In addition, annual revenues from business customers will be reduced by about $4 million and network access fees received from long distance companies will probably decline by $8 million per year. In return, CBT will be allowed, without restriction, to raise prices of highly-profitable ancillary telephone features, such as Caller ID. Although these incremental revenues won't offset the effects of the new price cap, the accord enables CBT to improve its relatively low, 11% custom-calling service penetration rate. On the expense side, Year 2000 compliance costs, substantial in 1998, will probably be greatly reduced in 1999. Therefore, while second-half 1998 share net will probably lag the year-ago level, we expect an earnings rebound next year of about 35%, to $1.75 a share.

PCS are now available. In a pending venture with AT&T, CSN will take an 80% stake in a wireless network in Cincinnati and Dayton. While this deal should close in 1998, CSN has been signing up subscribers and recording operating losses, which likely will dilute share net by $0.20 per annum. Profits now appear to be three years off, earlier than we'd thought. Also, high-speed (ADSL) Internet access, over customers' existing telephone lines, should be available by yearend. This, too, holds excellent long-term earnings potential.

The 3- to 5-year appreciation outlook for CSN's now untimely shares mirrors that of the average stock.

Todd A. Schwartzman *October 9, 1998*

(A) Primary egs. through 1997; diluted thereafter. Next egs. report due in mid-Oct. Excludes nonrec. gain (charges): '91, (19¢); '92, (11¢); '93, (90¢); '94, (5¢); '95, ($1.11); '96, 20¢; '97, ($1.60); '98, (20¢); extraordinary charge: '92, 3¢. Qtly. figures may not sum due to rounding. (B) Next dividend meeting about Dec. 12. Goes ex about Dec. 27. Dividend payment dates: Feb. 1, May 1, Aug. 1, Nov. 1. ■ Dividend reinvestment plan available. (C) In millions, adjusted for stock splits. (D) Includes intangibles: in '97, $195.0 million, $1.43/share.

Company's Financial Strength	A
Stock's Price Stability	50
Price Growth Persistence	40
Earnings Predictability	60

FRONTIER CORP. NYSE-FRO

RECENT PRICE	27	P/E RATIO	25.2 (Trailing: 44.3; Median: 18.0)	RELATIVE P/E RATIO	1.69	DIV'D YLD	3.4%	VALUE LINE	750

TIMELINESS 3 Raised 11/28/97

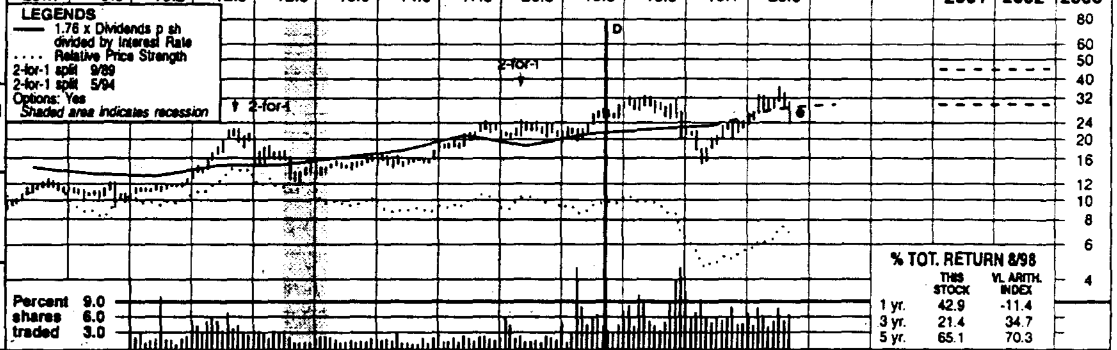
SAFETY 3 Lowered 4/11/97

TECHNICAL 2 Raised 2/27/98

BETA 1.10 (1.00 = Market)

High:	12.4	12.8	22.9	20.8	17.0	17.9	25.0	25.3	30.0	33.4	25.0	37.1
Low:	9.3	10.2	12.8	12.3	13.0	14.6	17.3	20.3	19.3	19.9	15.1	23.8

Target Price Range 2001 | 2002 | 2003



2001-03 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+65%)	16%
Low	30	(+10%)	6%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	2	1	1	1	0	0	3	0	1
Options	1	0	0	1	0	1	0	0	0
to Sell	2	0	0	1	0	0	1	0	0

Institutional Decisions

	4Q1997	1Q1998	2Q1998
to Buy	125	130	111
to Sell	95	120	109
Hld's(000)	100467	100201	101483

% TOT. RETURN 8/98

	THIS STOCK	VL ARITH. INDEX
1 yr.	42.9	-11.4
3 yr.	21.4	34.7
5 yr.	65.1	70.3

Frontier Corp. was formed as a holding company on January 1, 1995 after its predecessor, Rochester Telephone Corp., split its operations into two divisions (Frontier Communications and Rochester Telephone). At that time, New York regulators approved the company's 7-year plan to open local markets to full competition. Since then, Frontier has aggressively expanded, acquiring WCT Communications, American Sharecom, Enhanced Telemanagement, Schneider Communications, and ALC Communications.

1988	1989	1990	1991	1992	1993	1994	1995E	1996	1997	1998	1999	© VALUE LINE PUB., INC.	01-03
10.43	11.13	10.36	11.04	12.07	13.34	13.47	13.56	15.73	14.34	15.15	16.70	Revenues per sh	22.15
2.41	2.29	2.22	2.41	2.75	2.87	2.99	1.96	2.48	1.59	2.30	2.65	"Cash Flow" per sh	3.80
1.06	.99	.86	.92	1.05	1.19	1.40	.87	1.32	.33	1.00	1.25	Earnings per sh A	2.10
.68	.72	.74	.76	.78	.80	.83	.84	.86	.88	.90	.94	Div'ds Decl'd per sh B ■	1.06
2.23	2.08	1.87	1.71	1.86	1.50	1.19	1.04	1.89	2.16	3.55	2.90	Cap'l Spending per sh	1.75
7.26	7.81	7.72	8.86	8.99	9.60	10.94	5.62	6.34	5.79	5.75	6.05	Book Value per sh	8.35
45.90	50.48	57.91	63.69	66.64	67.94	73.16	158.06	163.73	164.10	171.75	172.00	Common Shs Outst'g C	172.75
11.0	18.0	18.4	16.3	15.2	17.6	16.0	27.8	22.1	NMF	Bold figures are		Avg Ann'l P/E Ratio	17.0
.91	1.36	1.37	1.04	.92	1.04	1.05	1.86	1.38	NMF	Value Line		Relative P/E Ratio	1.20
5.9%	4.0%	4.6%	5.0%	4.9%	3.8%	3.7%	3.5%	3.0%	4.2%	estimates		Avg Ann'l Div'd Yield	3.0%
478.8	562.0	600.0	703.2	804.0	906.5	985.5	2143.7	2575.6	2352.9	2600	2875	Revenues ($mill)	3825
49.6	51.5	49.7	57.5	70.5	81.6	102.7	141.9	217.9	54.6	170	215	Net Profit ($mill)	365
33.7%	32.6%	37.3%	37.3%	37.1%	38.0%	37.2%	41.1%	39.6%	44.7%	39.5%	40.0%	Income Tax Rate	40.0%
10.4%	9.2%	8.3%	8.2%	8.8%	9.0%	10.4%	6.6%	8.5%	2.3%	6.6%	7.5%	Net Profit Margin	9.5%
40.7%	44.8%	43.5%	50.2%	45.8%	42.1%	41.3%	40.4%	38.9%	49.0%	50.5%	50.5%	Long-Term Debt Ratio	47.5%
55.5%	52.2%	53.5%	47.9%	52.2%	55.7%	57.1%	58.1%	59.8%	50.0%	48.5%	48.5%	Common Equity Ratio	51.5%
600.1	755.4	834.7	1178.5	1147.2	1170.8	1402.0	1530.4	1735.4	1900.8	2045	2155	Total Capital ($mill)	2795
688.0	756.7	855.4	1016.9	1039.7	1027.2	969.9	881.3	971.3	1037.8	1300	1515	Net Plant ($mill)	1940
9.9%	8.5%	7.7%	6.7%	8.1%	9.0%	8.9%	11.0%	13.8%	4.1%	10.0%	11.5%	Return on Total Cap'l	14.5%
13.9%	12.3%	10.5%	9.8%	11.3%	12.1%	12.5%	15.6%	20.6%	5.6%	17.0%	20.0%	Return on Shr. Equity	24.5%
14.5%	12.7%	10.9%	10.0%	11.6%	12.3%	12.7%	15.8%	20.9%	5.6%	17.5%	20.5%	Return on Com Equity	25.0%
5.4%	3.8%	1.0%	1.8%	3.2%	4.2%	5.4%	6.7%	7.6%	NMF	1.5%	5.0%	Retained to Com Eq	12.5%
64%	71%	91%	82%	73%	67%	58%	58%	64%	NMF	90%	75%	All Div'ds to Net Prof	51%

CAPITAL STRUCTURE as of 6/30/98
Total Debt $1027.5 mill. Due in 5 Yrs $530.0 mill.
LT Debt $1021.0 mill. LT Interest $60.0 mill.
Incl. $5.3 mill. 10.46% debs., cv. into 502,966 shs. at $10.5375 each after 10/26/98.
(LT interest earned: 4.1x; total interest coverage: 4.0x)
Leases, Uncapitalized Annual rentals $99.6 mill.
Pfd Stock $20.1 mill. **Pfd Div'd** $1.0 mill
201,254 shs. 4.6%-5.65% cumulative ($100 par) callable at $100-$105.
Common Stock 171,498,589 shs.
MARKET CAP: $4.6 billion (Large Cap)

CURRENT POSITION ($MILL.)	1996	1997	6/30/98
Cash Assets	30.9	24.7	76.9
Other	438.3	459.5	509.6
Current Assets	469.2	484.2	586.5
Accts Payable	322.3	328.1	410.0
Debt Due	6.3	5.3	6.5
Other	89.5	141.4	154.5
Current Liab.	418.1	474.8	571.0
Fix. Chg. Cov.	852%	219%	339%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '95-'97 to '01-'03
Revenues	4.0%	5.5%	7.5%
"Cash Flow"	-1.0%	-4.0%	11.5%
Earnings	-1.0%	-2.5%	16.5%
Dividends	3.0%	2.5%	4.0%
Book Value	-1.5%	-7.0%	6.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	459.0E	506.9E	571.4	606.4	2143.7
1996	655.1	670.3	669.1	581.1	2575.6
1997	573.4	584.7	601.6	593.2	2352.9
1998	631.9	648.3	655	664.8	2600
1999	695	720	725	735	2875

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	.30E	.33E	d.12	.36	.87
1996	.39	.42	.45	.06	1.32
1997	d.08	.26	.24	d.09	.33
1998	.20	.26	.25	.29	1.00
1999	.27	.32	.31	.35	1.25

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1994	.203	.203	.203	.203	.81
1995	.208	.208	.208	.208	.83
1996	.213	.213	.213	.213	.85
1997	.218	.218	.218	.218	.87
1998	.223	.223	.223		

BUSINESS: Frontier Corp. (formerly Rochester Telephone), a holding company, serves Rochester & other areas of NY and parts of 13 other states through acquired & mostly rural telcos. Other revs. derived from unregulated ops incl'g regional long-distance, network systems, and cellular (serves 5.0 mill. population equivalents or "POPS"). Local access lines: 1,013,000, almost 100% digital. Provides interexchange service with AT&T. '97 rev. mix: long distance, 70%; local, 28%; wireless & other, 2%. '97 deprec. rate: 8.5%. Has 7,445 employees, 26,635 stkhldrs. Offs. & Dirs. own less than 1% of com.; Del. Mgmt. Hldgs., 7.9% (3/98 proxy). Chrmn.: Vacant. C.E.O., Pres., & C.O.O.: Joseph P. Clayton. Inc.: NY. Addr.: 180 S. Clinton Ave., Rochester, NY 14646. Tel.: 716-777-1000.

Frontier is quickly building a sizable, national communications service network. Factoring in minor construction delays, we expect the company to have its 13,000-mile Optronics fiber-optic network in place early next year, serving the lucrative small- and medium-sized business and wholesale carrier sectors. And by the end of 1999, another 4,660 miles of cable will be added, lifting market coverage to 120 U.S. cities. An agreement with Williams Communications to serve the southeast market accounts for 3,000 of the additional miles. The remainder stems from a pact with Western Tele-Communications, which operates in the West. These deals will help lessen the company's dependence on the Qwest Communications network. The Optronics network, utilizing dense wave division multiplexing equipment, offers considerably more capacity and management flexibility than traditional networks. The network will allow Frontier to pursue a greater share of the fast-growing, highly profitable Intranet, Internet, and data markets. Separately, carrier deals, such as those made with Level 3 Communications and Miami-based Americatel, augur well for future results.

Efforts to improve the company's focus continue. The new network, along with stepped-up marketing, will help to boost wholesale volumes and better diversify the customer base. Aggressive action is also being taken to expand competitive local exchange services. In addition, management is moving to scale back noncritical services (e.g., prepaid calling cards), cut sales force turnover, enhance service distribution, reduce account churn, and move customers to a unified billing system. SG&A, now about 25% of revenues, should continue to trend lower going forward, moving closer to the company's 22% target.

Frontier stock is ranked to match year-ahead market performance. Considering the telco's new network, better focus, and strong local phone business, we project solid revenue and share-net advances to 2001-2003. Given with the recent share-price pullback, the stock's total-return potential over that time is appealing when compared to the telecom industry average.

David M. Reimer *October 9, 1998*

(A) Diluted earnings. Excludes nonrecurring gains/(losses): '87, 2¢; '89, 41¢; '91, 32¢; '93, (4¢); '95, (76¢); '96, net (5¢). Includes unusual loss: '90, 1¢; '95, 46¢; '97, (64¢). Next earnings report due late Oct. (B) Next dividend meeting about Dec. 15. Goes ex about Jan. 13. Dividend payment dates about the 1st of Feb., May, Aug., and Nov. ■ Dividend reinvestment plan available. (C) In millions, adjusted for stock splits. (D) Acquired ALC Communications 8/16/95. (E) Restated to reflect acquisitions.

Company's Financial Strength	A+
Stock's Price Stability	45
Price Growth Persistence	55
Earnings Predictability	40

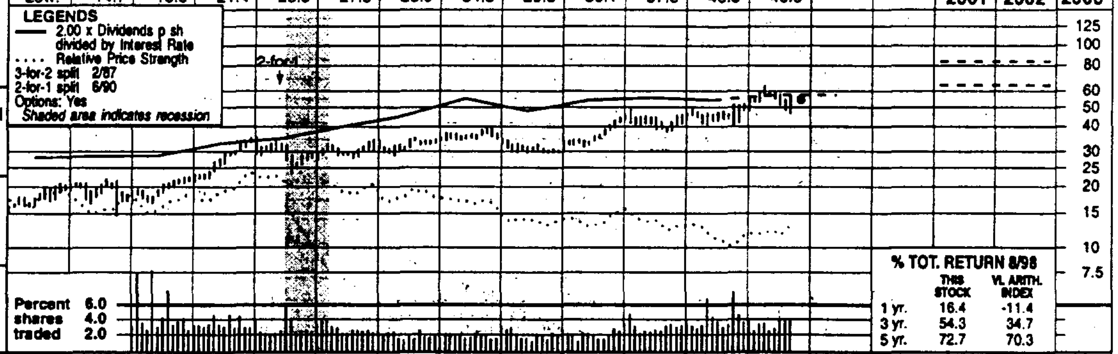
GTE CORP. NYSE-GTE

RECENT PRICE 55 | P/E RATIO 17.4 (Trailing: 19.3 Median: 15.0) | RELATIVE P/E RATIO 1.17 | DIV'D YLD 3.4% | VALUE LINE 751

TIMELINESS — Suspended 8/7/98
SAFETY 2 Lowered 4/10/98
TECHNICAL — Suspended 8/7/98
BETA .95 (1.00 = Market)

High:	22.4	22.9	35.6	36.0	35.0	35.8	39.9	35.3	45.1	49.3	52.3	64.4
Low:	14.7	16.9	21.4	23.5	27.5	28.9	34.3	29.6	30.1	37.8	40.5	46.6

Target Price Range 2001 | 2002 | 2003



2001-03 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	85	(+55%)	14%
Low	65	(+20%)	7%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	2	1	1	0	2	1	2	0
to Sell	0	2	1	0	0	3	1	2	0

Institutional Decisions

	4Q1997	1Q1998	2Q1998
to Buy	415	390	360
to Sell	313	356	376
Hld's(000)	417846	448372	449456

% TOT. RETURN 8/98

	THIS STOCK	VL ARITH. INDEX
1 yr.	16.4	-11.4
3 yr.	54.3	34.7
5 yr.	72.7	70.3

1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	© VALUE LINE PUB., INC.	01-03
22.28	22.63	23.74	24.76	22.90	23.68	25.22	26.38	24.67	22.07	21.27	20.75	20.67	20.47	22.16	24.28	*26.40*	*28.85*	Revenues per sh	*35.70*
4.21	4.68	4.86	4.17	5.10	5.48	5.73	6.04	5.70	5.57	5.38	5.77	5.92	6.36	6.81	6.97	*7.25*	*8.00*	"Cash Flow" per sh	*10.05*
1.46	1.58	1.78	1.72	1.69	1.62	1.77	2.08	1.93	1.92	1.95	2.20	2.38	2.61	2.88	2.90	*3.05*	*3.45*	Earnings per sh A	*5.30*
.96	.99	1.01	1.04	1.11	1.24	1.30	1.40	1.52	1.64	1.76	1.84	1.88	1.88	1.88	1.88	*1.88*	*1.88*	Div'ds Decl'd per sh B■	*1.96*
5.33	4.78	5.75	5.59	4.73	4.83	4.73	4.88	3.98	4.46	4.16	4.09	4.34	4.14	4.24	5.35	*5.40*	*5.50*	Cap'l Spending per sh	*5.60*
10.50	11.30	12.03	10.75	11.61	11.92	12.45	12.01	11.84	12.21	10.61	9.96	10.85	7.05	7.62	8.39	*9.85*	*10.95*	Book Value per sh C	*18.80*
541.49	571.94	612.71	635.52	659.92	651.10	652.58	660.60	867.00	888.91	939.53	951.76	965.09	975.06	963.10	958.00	*965.00*	*955.00*	Common Shs Outst'g D	*950.00*
7.3	9.1	7.3	8.1	10.6	12.1	11.2	13.3	15.5	16.0	16.8	16.5	13.2	13.8	14.9	15.9	*Bold figures are*		Avg Ann'l P/E Ratio	*14.0*
.80	.77	.68	.66	.72	.81	.93	1.01	1.15	1.02	1.02	.97	.87	.92	.93	.92	*Value Line*		Relative P/E Ratio	*1.00*
9.0%	6.9%	7.8%	7.5%	6.1%	6.3%	6.6%	5.1%	5.1%	5.3%	5.4%	5.0%	6.0%	5.2%	4.4%	3.9%	*estimates*		Avg Ann'l Div'd Yield	*2.6%*
						16460	17424	21393	19621	19984	19748	19944	19957	21339	23260	*25500*	*27540*	Revenues ($mill)	*33895*
						1224.7	1417.3	1715.0	1733.0	1787.0	2095.0	2288.0	2527.0	2790.0	2794.0	*2950*	*3305*	Net Profit ($mill)	*5035*
						33.5%	31.3%	30.7%	31.6%	35.1%	35.1%	38.5%	36.6%	36.6%	36.8%	*38.5%*	*38.0%*	Income Tax Rate	*38.0%*
						7.4%	8.1%	8.0%	8.8%	8.9%	10.6%	11.5%	12.7%	13.1%	12.0%	*11.6%*	*12.1%*	Net Profit Margin	*14.9%*
						49.8%	52.8%	53.8%	55.9%	55.6%	54.5%	49.9%	58.3%	57.8%	58.5%	*63.0%*	*64.0%*	Long-Term Debt Ratio	*58.0%*
						41.7%	38.4%	39.6%	37.8%	39.1%	39.7%	43.0%	31.5%	32.1%	32.4%	*37.0%*	*36.0%*	Common Equity Ratio	*42.0%*
						19500	20658	25948	28688	25509	23874	24377	21845	22862	24785	*25685*	*28635*	Total Capital ($mill)	*42060*
						22987	23700	29284	29323	29620	28720	29328	22437	22902	24080	*25255*	*28205*	Net Plant ($mill)	*28830*
						8.9%	9.6%	9.3%	8.7%	9.8%	11.4%	12.3%	15.4%	15.8%	14.9%	*13.5%*	*14.0%*	Return on Total Cap'l	*13.5%*
						13.7%	16.3%	15.7%	15.0%	17.4%	21.5%	21.6%	36.8%	38.0%	34.8%	*31.0%*	*31.5%*	Return on Shr. Equity	*28.0%*
						14.5%	17.3%	16.3%	15.6%	17.7%	21.9%	21.8%	36.8%	38.0%	34.8%	*31.0%*	*31.5%*	Earned Com Equity	*28.0%*
						4.0%	5.6%	6.2%	2.4%	1.9%	3.7%	4.6%	10.2%	13.2%	12.3%	*12.0%*	*14.5%*	Retained to Com Eq	*17.5%*
						74%	69%	63%	85%	89%	83%	79%	72%	65%	65%	*62%*	*55%*	All Div'ds to Net Prof	*37%*

CAPITAL STRUCTURE as of 6/30/98

Total Debt $18.9 bill. Due in 5 Yrs $7.5 bill.
LT Debt $14.9 bill. LT Interest $1.0 bill.
(LT interest earned: 5.8x; total interest coverage: 5.0x)

Pension Liability None

Pfd Stock None

Common Stock 964.0 million shs.

MARKET CAP: $53.0 billion (Large Cap)

CURRENT POSITION ($MILL.)	1996	1997	6/30/98
Cash Assets	405.0	551.0	953.0
Other	5628.0	5986.0	5872.0
Current Assets	6033.0	6537.0	6825.0
Accts Payable	4156.0	4672.0	4302.0
Debt Due	2497.0	3398.0	3950.0
Other	1661.0	1771.0	1944.0
Current Liab.	8314.0	9841.0	10196.0
Fix. Chg. Cov.	535%	490%	410%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '95-'97 to '01-'03
Revenues	-.5%	-.5%	*8.0%*
"Cash Flow"	3.0%	4.0%	*7.0%*
Earnings	5.5%	7.5%	*11.0%*
Dividends	5.0%	2.5%	*1.0%*
Book Value	-4.0%	-8.0%	*16.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	4665	4932	4996	5364	19957
1996	4951	5293	5344	5751	21339
1997	5281	5692	5940	6347	23260
1998	5885	6277	*6460*	*6878*	*25500*
1999	*6390*	*6775*	*6955*	*7420*	*27540*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	.56	.60	.71	.74	2.61
1996	.62	.66	.78	.82	2.88
1997	.69	.70	.79	.72	2.90
1998	.65	.69	*.84*	*.87*	*3.05*
1999	*.76*	*.81*	*.93*	*.95*	*3.45*

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1994	.47	.47	.47	.47	1.88
1995	.47	.47	.47	.47	1.88
1996	.47	.47	.47	.47	1.88
1997	.47	.47	.47	.47	1.88
1998	.47	.47	.47	.47	

BUSINESS: GTE is one of the largest publicly held telecommunications companies in the world. It is also the largest U.S.-based local telephone company and a leading cellular provider; with wireline and wireless operations in markets encompassing about a third of the country's population. Outside the U.S., GTE serves over 7 million wireline and wireless customers. Other operations include government systems, telecommunications products, and directory publishing. 1997 depreciation rate: 6.9%. Est. plant age: 8 years. Has about 114,000 employees, 563,000 stockholders. Officers & Directors own less than 1% of common (3/98 Proxy). Chairman & C.E.O.: Charles R. Lee. Inc.: New York. Address: One Stamford Forum, Stamford, CT 06904. Telephone: 203-965-2000.

GTE has agreed to merge with Bell Atlantic. The $56 billion transaction, to be accounted for as a pooling of interests, probably won't be completed until the second half of 1999. Shareholder votes, antitrust review, and various regulatory approvals are all pending. Each GTE shareholder would receive 1.22 shares of Bell Atlantic stock for each GTE share held. If the deal is consummated, the companies expect to realize within three years annual cost savings of $2 billion and incremental revenues of another $2 billion a year. Bell Atlantic would gain access to GTE's Internet and long-distance capabilities, as well as its national network. Too, GTE stands to benefit from BEL's dominance of the New York City local-service market, particularly BEL's large business-customer base. For these reasons, and since we cannot rule out a more lucrative bid for GTE by another telco, we advise that GTE stockholders hold on to their shares. Since trading in GTE will be dictated by BEL's share price in the near term, we've suspended GTE's Timeliness Rank.

We think GTE's total U.S. access lines in use will grow by 7% this year. The recent trend on the part of residential customers toward adding phone lines for use with computers and facsimile machines appears intact, and should spur revenue growth. Moreover, GTE's service in many suburban and rural markets faces little competition. The company's wireless business will likely continue to exhibit good subscriber growth (up 11.6% through June over the year-ago period), but it faces customer retention problems and a competitive pricing environment.

High-speed (ADSL) Internet access is available in five states. By yearend, GTE hopes to offer the service in nine more states. ADSL permits much faster, continuous Internet access, compared with conventional dial-up modems. Users can place telephone calls over the same line. Long-term profit potential is substantial, but ADSL will likely dilute share earnings for two to three years.

Barring a higher bid, the stock's appeal as a 3- to 5-year holding appears limited. But despite Wall Street's tepid response to the BEL offer, a rival bid still looms a possibility.

Todd A. Schwartzman *October 9, 1998*

(A) Primary earnings through '96; diluted thereafter. Excludes nonrecurring gains (losses): '82, 5¢; '83, 3¢; '84, 9¢; '85, ($3.36); '86, 14¢; '87, (2¢); '91, (17¢); '92, ($2.81); '93, ($1.27); '94, 17¢; '95, ($4.82); '96, 1¢; '98: Q1, (83¢). Next earnings report due mid-Oct.
(B) Next dividend meeting early Nov. Goes ex about Nov. 20th. Div'd payment dates: Jan. 1, April 1, July 1, and Oct. 1. ■ Div'd reinvestment plan available.
(C) Incl. intang. In '97: $3232.0 mill., $3.37/sh.
(D) In millions, adjusted for stock splits.

Company's Financial Strength	A
Stock's Price Stability	85
Price Growth Persistence	35
Earnings Predictability	95

SBC COM'CATIONS NYSE-SBC

RECENT PRICE	44	P/E RATIO	20.4 (Trailing: 22.1 / Median: 15.0)	RELATIVE P/E RATIO	1.37	DIV'D YLD	2.3%	VALUE LINE	757

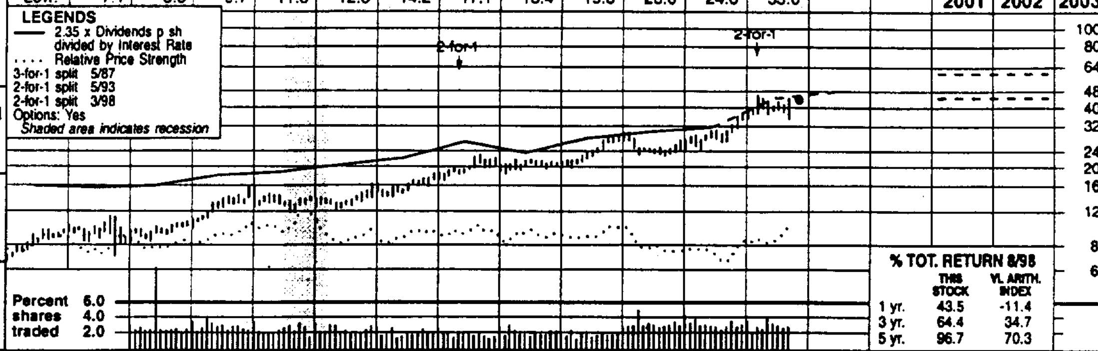
TIMELINESS 3 Raised 1/9/98
SAFETY 2 Lowered 7/10/98
TECHNICAL 3 Lowered 8/21/98
BETA .90 (1.00 = Market)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
High:	11.4	10.7	16.1	16.2	16.5	18.7	23.5	22.1	29.3	30.1	38.1	46.6
Low:	7.1	8.3	9.7	11.8	12.3	14.2	17.1	18.4	19.8	23.0	24.6	35.0

Target Price Range

2001	2002	2003

LEGENDS
— 2.35 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
3-for-1 split 5/87
2-for-1 split 5/93
2-for-1 split 3/98
Options: Yes
Shaded area indicates recession



2001-03 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+35%)	*10%*
Low	45	(Nil)	*3%*

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	2	0	0	3	0	0
Options	1	0	0	1	0	0	1	0	2
to Sell	1	0	0	2	0	0	1	0	2

Institutional Decisions

	4Q1997	1Q1998	2Q1998
to Buy	371	393	412
to Sell	313	328	340
Hld's(000)	785113	831659	832546

% TOT. RETURN 8/98

	THIS STOCK	VL ARITH. INDEX
1 yr.	43.5	-11.4
3 yr.	64.4	34.7
5 yr.	96.7	70.3

1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	© VALUE LINE PUB., INC.	01-03
--	--	6.02	6.63	6.59	6.66	7.03	7.26	7.60	7.77	8.35	8.91	9.54	10.40	11.58	13.63	*14.55*	*15.80*	Revenues per sh	*20.60*
--	--	1.70	1.92	2.01	2.24	2.42	2.48	2.33	2.43	2.62	2.87	3.03	3.33	3.62	4.18	*4.60*	*5.05*	"Cash Flow" per sh	*6.85*
--	--	.75	.83	.86	.87	.88	.91	.92	.96	1.09	1.20	1.37	1.55	1.73	1.84	*2.10*	*2.35*	Earnings per sh A	*3.35*
--	--	.47	.50	.53	.58	.62	.65	.69	.71	.73	.76	.79	.83	.86	.90	*.94*	*1.02*	Div'ds Decl'd per sh B ■	*1.44*
	--	1.51	1.75	1.64	1.23	1.02	1.23	1.48	1.52	1.79	1.85	1.93	1.92	2.52	3.14	*3.15*	*3.25*	Cap'l Spending per sh	*6.50*
--	--	5.86	6.19	6.52	6.82	7.08	6.96	7.15	7.38	7.76	6.34	6.86	5.13	5.70	5.38	*6.60*	*7.90*	Book Value per sh C	*13.05*
--	--	1194.4	1195.4	1199.5	1201.8	1201.7	1202.3	1199.5	1200.6	1199.5	1200.5	1218.2	1218.7	1199.7	1837.3	*1840*	*1840*	Common Shs Outst'g D	*1840*
--	--	6.8	7.8	9.8	10.9	10.8	14.0	14.8	14.2	14.8	16.7	15.0	15.4	14.7	16.2	*Bold figures are*		Avg Ann'l P/E Ratio	*16.0*
--		.63	.63	.66	.73	.90	1.06	1.10	.91	.90	.99	.98	1.03	.92	.94	*Value Line*		Relative P/E Ratio	*1.15*
--	--	9.1%	7.7%	6.4%	6.1%	6.5%	5.1%	5.1%	5.2%	4.6%	3.8%	3.8%	3.5%	3.4%	3.0%	*estimates*		Avg Ann'l Div'd Yield	*2.7%*

CAPITAL STRUCTURE as of 6/30/98
Total Debt $13758 mill. Due in 5 Yrs $3170 mill.
LT Debt $11547 mill. LT Interest $840 mill.
Incl. $294.0 mill. capitalized leases.
(LT interest earned: 6.9x;
total interest coverage: 6.1x)

Leases, Uncapitalized Annual rentals $168.0 mill.
Pension Liability None
Pfd Stock $1000 mill. Pfd Div'd 80.3 mill.
Incl. $1 billion TOPrS, $500 mill. at 7.56%, $500 mill. at 8.5%
Common Stock 1837.3 million shs.
as of 7/31/98
MARKET CAP: $80.8 billion (Large Cap)

1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999		01-03
8452.7	8729.8	9112.9	9331.9	10015	10690	11619	12670	13898	25044	*26800*	*29100*	Revenues ($mill) A	*37900*
1060.1	1092.8	1101.4	1156.5	1301.7	1435.2	1648.7	1889.3	2101.0	3364.0	*3855*	*4330*	Net Profit ($mill)	*6160*
24.8%	26.1%	28.5%	29.7%	30.4%	30.3%	32.3%	32.3%	35.7%	36.2%	*37.5%*	*38.0%*	Income Tax Rate	*38.0%*
12.5%	12.5%	12.1%	12.4%	13.0%	13.4%	14.2%	14.9%	15.1%	13.4%	*14.4%*	*14.9%*	Net Profit Margin	*16.3%*
37.2%	39.5%	39.0%	39.0%	38.1%	41.8%	41.2%	47.6%	44.6%	52.5%	*48.0%*	*44.5%*	Long-Term Debt Ratio	*40.5%*
62.8%	60.5%	61.0%	61.0%	61.9%	58.2%	58.8%	52.4%	55.4%	43.2%	*48.0%*	*52.0%*	Common Equity Ratio	*57.0%*
13543	13822	14064	14535	15020	13068	14204	11928	12340	22911	*25200*	*28100*	Total Capital ($mill)	*42000*
16304	16078	16322	16510	16899	17092	17317	12988	14007	27339	*28500*	*29500*	Net Plant ($mill)	*41700*
9.7%	9.8%	9.7%	9.9%	10.4%	12.8%	12.9%	17.6%	18.5%	16.6%	*17.0%*	*17.0%*	Return on Total Cap'l	*16.0%*
12.5%	13.1%	12.8%	13.1%	14.0%	18.9%	19.7%	30.2%	30.7%	30.9%	*29.5%*	*28.0%*	Return on Shr. Equity	*24.5%*
12.5%	13.1%	12.8%	13.1%	14.0%	18.9%	19.7%	30.2%	30.7%	34.0%	*32.0%*	*29.5%*	Return on Com Equity	*25.5%*
4.9%	4.8%	4.3%	4.5%	5.6%	8.3%	9.7%	16.0%	17.2%	17.6%	*17.5%*	*17.0%*	Retained to Com Eq	*14.5%*
61%	63%	67%	66%	60%	56%	51%	47%	44%	48%	*45%*	*43%*	All Div'ds to Net Prof	*43%*

CURRENT POSITION ($MILL.)	1996	1997	6/30/98
Cash Assets	755.0	718.0	706.0
Other	3157.0	6344.0	6329.0
Current Assets	3912.0	7062.0	7035.0
Accts Payable	3839.0	7888.0	5919.0
Debt Due	1722.0	1953.0	2211.0
Other	259.0	411.0	1894.0
Current Liab.	5820.0	10252.0	10024.0
Fix. Chg. Cov.	721%	586%	718%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '95-'97 to '01-'03
Revenues	6.0%	8.5%	*9.5%*
"Cash Flow"	6.0%	8.5%	*11.0%*
Earnings	7.0%	11.5%	*12.0%*
Dividends	5.0%	4.0%	*9.0%*
Book Value	-2.0%	-6.0%	*16.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	2910	3025	3292	3443	12670
1996	3197	3333	3600	3768	13898
1997	6060	6006	6345	6633	E25044
1998	6424	6591	*6800*	*6985*	*26800*
1999	*7100*	*7200*	*7300*	*7500*	*29100*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	.33	.37	.44	.41	1.55
1996	.38	.41	.49	.45	1.73
1997	.42	.45	.47	.50	E1.84
1998	.50	.53	*.53*	*.54*	*2.10*
1999	*.56*	*.57*	*.59*	*.63*	*2.35*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1994	.197	.197	.198	.198	.79
1995	.207	.207	.208	.208	.83
1996	.215	.215	.215	.215	.86
1997	.222	.222	.223	.223	.89
1998	.234	.234	.234		

BUSINESS: SBC Communications Inc. is one of the seven regional holding companies formed by AT&T in 1983 to hold its divested local telephone business. It provides telecommunications services through two main subsidiaries, Southwestern Bell (SWBell) and Pacific Bell (PacBell). SWBell (48% of access lines) serves Arkansas, Kansas, Missouri, Oklahoma and Texas, and PacBell (52% of access lines) serves California. Acq. PacTel 4/97. Owns 9.6% of Telmex. Access lines in service: 34.2 mill. 1997 revenue breakdown: local service, 51%; network access, 23%; long-distance service, 9%; directory advertising, 8%; other, 9%. Has 118,340 employees. Chrmn. and C.E.O.: E. Whitacre Jr. Inc.: DE. Address: 175 E. Houston, San Antonio, TX 78205-2233. Telephone: 210-821-4105.

We are raising our 1998 share earnings estimate for SBC Communications by a nickel, to $2.10. For the second quarter, the company reported net income of $0.53 a share, beating our call and Wall Street's consensus by $0.03. The better-than-expected results were due to a significantly improved operating margin (it increased 200 basis points over the year-earlier period), stemming from cost synergies associated with the Pacific Telesis merger. SBC should leverage still further savings from this merger during the third and fourth quarters—as it moves toward its goal of reducing expense by $1.2 billion by the year 2000—so we've widened our full-year 1998 operating margin assumption by 50 basis points, to 43.0%.

Landline local service revenue growth continues to fuel the company's bottom line. The main volume drivers of this growth are access lines and vertical services. At the end of the second quarter, SBC's total domestic access lines were 34.2 million, an impressive 4.9% increase over the last 12 months. Of particular note has been the strong growth in business lines as customers demand increasingly more lines for modems and fax machines. At the company's SWBell and PacBell subsidiaries, business lines have grown 7.1% and 5.1% over the past year, respectively. With Texas and California, the company's two largest markets, expected to add a combined 4.4 million jobs over the next decade, we expect robust business access-line growth to continue for years to come. Higher sales of vertical services should also help SBC's earnings advance by roughly 12% annually through 2002. The company is making good on its strategy of duplicating SWBell's success in vertical service penetration at PacBell. A greater emphasis on maximizing sales efforts by customer service representatives has paid off. For the second quarter, vertical service features per line grew to 0.9 at PacBell, an increase of 24% year over year.

SBC shares now offer below-average 3- to 5-year appreciation potential. But the company's proposed mergers with SNET and Ameritech, which are set to close in approximately three and 12 months, respectively, would likely enhance our 2001-2003 earnings projections.

Justin Hellman *October 9, 1998*

(A) Basic earnings. Excludes nonrecurring losses: '91, (7¢); '93, ($1.90); '95, ($2.32); '97, ($1.04). Next earnings report due late October.
(B) Next div'd meeting about Dec. 29th. Goes ex about Jan. 6th. Approximate payment dates: Feb. 1, May 1, Aug. 1, Nov. 1. ■ Div'd reinvestment plan available.
(C) Includes intang. '97: $3269 mill., $1.78/sh.
(D) In millions, adjusted for stock splits.
(E) 1st and 2nd quarter '97 results pro-forma and assume full-year effect of PacTel merger.

Company's Financial Strength	A+
Stock's Price Stability	75
Price Growth Persistence	95
Earnings Predictability	100

SO.NEW ENG.TEL. NYSE-SNG

RECENT PRICE	78	P/E RATIO	25.0 (Trailing: 25.0 Median: 13.0)	RELATIVE P/E RATIO	1.68	DIV'D YLD	2.3%	VALUE LINE	759

TIMELINESS — Suspended 1/16/98
SAFETY 2 Lowered 7/10/98
TECHNICAL — Suspended 1/16/98
BETA .85 (1.00 = Market)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
High:	30.0	27.8	46.5	46.3	35.9	38.0	38.4	36.3	40.3	45.5	51.5	78.4
Low:	21.5	22.6	26.7	26.0	29.0	28.4	33.6	28.3	31.8	36.0	34.8	49.3

Target Price Range 2001 | 2002 | 2003

2001-03 PROJECTIONS

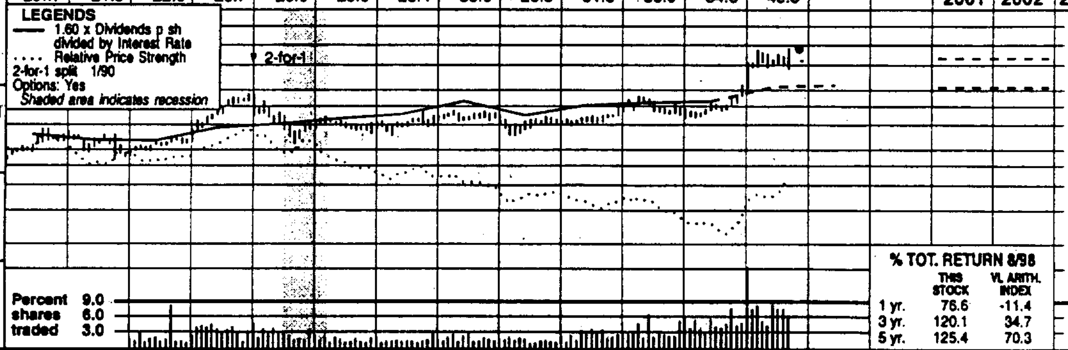
	Price	Gain	Ann'l Total Return
High	70	(-10%)	*Nil*
Low	50	(-35%)	*-7%*

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	0	1	0	0
Options	0	1	0	0	5	3	1	1	1
to Sell	0	0	0	0	4	3	1	0	1

Institutional Decisions

	4Q1997	1Q1998	2Q1998
to Buy	86	88	88
to Sell	72	84	87
Hld's(000)	28552	25696	24881



% TOT. RETURN 8/98

	THIS STOCK	VL ARITH. INDEX
1 yr.	76.6	-11.4
3 yr.	120.1	34.7
5 yr.	125.4	70.3

1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	© VALUE LINE PUB., INC.	01-03
18.87	20.22	21.36	21.54	23.41	23.73	25.34	26.57	26.10	26.07	25.48	25.90	26.62	28.23	29.58	30.33	*31.75*	*33.60*	Revenues per sh	*39.40*
3.95	4.50	4.78	4.90	5.43	5.59	5.93	6.39	6.55	6.40	6.45	7.07	7.85	7.91	8.36	8.65	*8.80*	*9.20*	"Cash Flow" per sh	*10.70*
1.53	1.98	2.02	1.91	2.23	2.27	2.50	2.73	2.48	2.41	2.56	2.53	2.77	2.60	2.94	2.98	*3.10*	*3.35*	Earnings per sh A	*4.40*
1.17	1.28	1.33	1.37	1.41	1.46	1.52	1.64	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76	*1.76*	*1.76*	Div'ds Decl'd per sh B ■	*1.80*
3.45	3.07	4.01	4.03	4.73	6.15	5.25	6.20	6.33	5.12	4.57	4.19	4.38	5.44	5.58	7.09	*7.30*	*7.30*	Cap'l Spending per sh	*6.55*
13.53	14.30	15.02	15.59	16.51	17.44	18.48	19.14	18.19	18.78	19.79	13.38	14.77	5.42	7.05	8.96	*11.40*	*13.00*	Book Value per sh	*18.25*
57.29	58.51	59.60	60.53	61.21	61.93	62.47	62.88	62.04	62.63	63.36	63.85	64.51	65.12	65.65	66.67	*68.50*	*68.50*	Common Shs Outst'g C	*68.50*
7.7	8.6	7.9	10.5	11.6	11.5	10.3	13.8	13.8	13.4	12.7	14.1	11.8	13.3	13.7	13.4	Bold figures are	Value Line	Avg Ann'l P/E Ratio	*13.5*
.85	.73	.74	.85	.79	.77	.86	1.04	1.02	.86	.77	.83	.77	.89	.86	.77	estimates		Relative P/E Ratio	*.95*
10.0%	7.5%	8.3%	6.8%	5.4%	5.6%	5.9%	4.3%	5.2%	5.5%	5.4%	4.9%	5.4%	5.1%	4.4%	4.4%			Avg Ann'l Div'd Yield	*3.0%*

CAPITAL STRUCTURE as of 6/30/98
Total Debt $1326.4 mill. Due in 5 Yrs $480.0 mill.
LT Debt $1146.5 mill. LT Interest $80.5 mill.

(LT interest earned: 5.2x; total interest coverage: 4.6x)

Leases, Uncapitalized Annual rentals $19.8 mill.
Pension Liability None

Pfd Stock None

Common Stock 68,322,715 shs. as of 7/31/98

MARKET CAP: $5.3 billion (Large Cap)

1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999		01-03
1582.6	1670.5	1619.3	1632.8	1614.4	1653.6	1717.0	1838.5	1941.9	2022.3	*2175*	*2300*	Revenues ($mill)	*2700*
155.4	170.1	153.6	147.5	159.2	160.6	177.6	168.8	192.8	197.5	*210*	*230*	Net Profit ($mill)	*300*
38.5%	41.6%	38.9%	42.4%	40.9%	39.9%	40.7%	39.4%	35.8%	37.5%	*37.5%*	*37.5%*	Income Tax Rate	*37.5%*
9.8%	10.2%	9.5%	9.0%	9.9%	9.7%	10.3%	9.2%	9.9%	9.8%	*9.8%*	*10.0%*	Net Profit Margin	*11.2%*
42.6%	42.2%	47.5%	48.5%	45.5%	53.5%	50.0%	77.0%	71.6%	66.0%	*59.5%*	*56.0%*	Long-Term Debt Ratio	*48.0%*
57.4%	57.8%	52.5%	51.5%	54.5%	46.5%	50.0%	23.0%	28.4%	34.0%	*40.5%*	*43.5%*	Common Equity Ratio	*52.0%*
2009.6	2082.6	2150.7	2283.4	2302.1	1838.9	1905.0	1535.3	1632.7	1754.1	*1925*	*2035*	Total Capital ($mill)	*2400*
2312.4	2502.2	2644.4	2713.3	2767.4	2770.1	2712.2	1565.2	1597.0	1716.8	*1910*	*2090*	Net Plant ($mill)	*2585*
9.8%	10.0%	9.2%	8.6%	8.9%	10.7%	11.1%	13.4%	14.4%	13.6%	*13.0%*	*13.5%*	Return on Total Cap'l	*14.5%*
13.5%	14.1%	13.6%	12.5%	12.7%	18.8%	18.6%	47.8%	41.6%	33.1%	*27.0%*	*26.0%*	Return on Shr. Equity	*24.0%*
13.5%	14.1%	13.6%	12.5%	12.7%	18.8%	18.6%	47.8%	41.6%	33.1%	*27.0%*	*26.0%*	Return on Com Equity	*24.0%*
6.4%	6.9%	5.2%	4.4%	5.1%	7.5%	8.4%	20.1%	20.0%	15.9%	*11.5%*	*12.5%*	Retained to Com Eq	*14.0%*
52%	51%	62%	65%	60%	60%	55%	58%	52%	52%	*57%*	*52%*	All Div'ds to Net Prof	*41%*

CURRENT POSITION ($MILL.)	1996	1997	6/30/98
Cash Assets	9.0	12.3	11.5
Other	459.0	442.3	474.9
Current Assets	468.0	454.6	486.4
Accts Payable	252.0	266.8	213.4
Debt Due	215.2	186.3	179.9
Other	199.8	204.5	215.5
Current Liab.	667.0	657.6	608.8
Fix. Chg. Cov.	399%	421%	455%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '95-'97 to '01-'03
Revenues	2.5%	2.5%	*5.0%*
"Cash Flow"	4.5%	5.0%	*4.5%*
Earnings	3.0%	2.5%	*7.5%*
Dividends	2.0%	--	*.5%*
Book Value	-8.0%	-17.5%	*17.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	443.1	453.0	471.5	470.9	1838.5
1996	474.0	487.8	488.2	491.9	1941.9
1997	482.7	501.6	509.7	528.3	2022.3
1998	527.1	538.6	*545*	*564.3*	*2175*
1999	*560*	*570*	*575*	*595*	*2300*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	.72	.62	.64	.62	2.60
1996	.80	.77	.70	.67	2.94
1997	.70	.76	.74	.78	2.98
1998	.83	.77	*.74*	*.76*	*3.10*
1999	*.85*	*.83*	*.82*	*.85*	*3.35*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1994	.44	.44	.44	.44	1.76
1995	.44	.44	.44	.44	1.76
1996	.44	.44	.44	.44	1.76
1997	.44	.44	.44	.44	1.76
1998	.44	.44	.44		

BUSINESS: Southern New England Telecommunications Corp. (SNET) is a holding company for Southern New England Telephone (which serves most of CT) and unregulated telecom subsidiaries (cellular and network systems). Has 2.3 mill. access lines. Services include Wide Area Telephone Service (WATS), Centrex, and direct-dial long distance. Started building broadband multimedia network (I-SNET) in '94. '97 revs.: local, 35%; intrastate toll, 11%; network access, 21%; interstate/int'l, 7%; wireless, 11%; other, 15%. '97 deprec. rate: 7.7%; est. plant age 8.5 yrs. Offs. & dirs. own less than 1% of common; Sprint, 6.3% (3/98 proxy). Has 9,750 emplys., 47,787 shrhldrs. Chrmn. & C.E.O.: D.J. Miglio. Inc.: CT. Addr.: 227 Church St., New Haven, CT 06506. Tel.: 203-771-5200.

Federal regulators should soon decide on SBC Comm.'s intended acquisition of Southern New England Telecom. On August 5th, the Connecticut Department of Public Utility Control (DPUC) sanctioned the $5 billion deal. Fortunately, the state regulators did not follow an attorney general's recommendation for sizable rate reductions. The two companies hope to win Federal Communications Commission approval shortly. As per the deal, SNET common stockholders would receive 1.7568 common shares in SBC for each share held. SNET will provide SBC expanded long-distance, local, Internet, wireless, and cable-TV offerings within an economically strong service area.

Competition continues to intensify inside the company's service territory. As of June 30th, more than 40 local exchange carriers, having secured DPUC authorization, were competing with SNET for customers in Connecticut. In connection with SNET's plan to restructure itself into two divisions, one serving the wholesale sector and the other serving retail accounts, the DPUC will supervise customers' selection of alternative service providers in mid-1999. The wholesale unit will act as a reseller of local phone service to competitors (e.g., AT&T). The retail house will essentially be unregulated, offering long-distance and local service. Management has attempted to sign up existing long-distance customers for local service; those who buy the service now would not be eligible to participate in the upcoming vote. In the second half of 1999, SNET's cost to retain (or add) customers likely will rise. We expect revenue growth to slow, but cost controls should support solid share-net advances. Next month, the DPUC will rule on the implementation of the telco's restructuring plan.

SNET shares are trading close to a 52-week high, reflecting improved prospects for the acquisition. We advise investors to sell their stakes, locking in gains realized since the deal's announcement. On a stand-alone basis, SNET shares offer subpar total returns to 2001-2003, as does SBC stock. (Note: We've cut SNET's '98 and '99 share-net estimates by $0.10 and $0.05, respectively, given increases in the exercise of employee stock options.)

David M. Reimer *October 9, 1998*

(A) Based on diluted shs. outstanding. Excludes nonrecurring gain (losses): '89, 31¢; '90, (40¢); '91, (43¢); '92, (4¢); '93, ($3.47); '95, ($10.59); '97, (6¢); '98, net *13¢*. Excludes loss from discontinued operations: '92, (8¢). Next earnings report due late Oct. (B) Next div'd meeting about Dec. 10. Goes ex about Dec. 18. Dividend payment dates about the 15th of January, April, July, and October. ■ Dividend reinvestment plan available. (C) In millions, adjusted for stock split. **Timeliness rank suspended due to pending acquisition.**

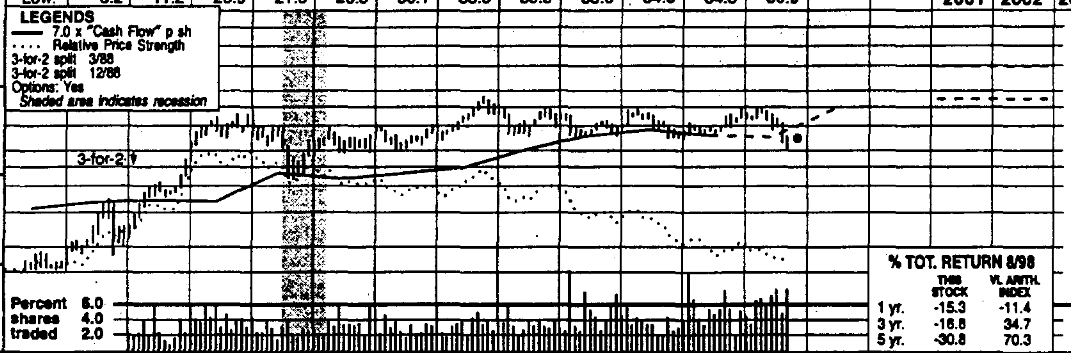
Company's Financial Strength	A
Stock's Price Stability	80
Price Growth Persistence	25
Earnings Predictability	95

TELEPHONE&DATA SYS. ASE-TDS

RECENT PRICE	35	P/E RATIO	NMF (Trailing: NMF Median: 54.0)	RELATIVE P/E RATIO	NMF	DIV'D YLD	1.3%	VALUE LINE	761

TIMELINESS 4 Raised 9/19/97
SAFETY 3 New 7/27/90
TECHNICAL 4 Lowered 9/4/98
BETA .85 (1.00 = Market)

																Target Price Range 2001	2002	2003
High:	17.6	27.8	46.5	48.0	40.4	41.3	57.0	51.5	46.3	48.9	49.9	50.1						
Low:	8.2	11.2	26.9	21.8	28.5	30.1	33.3	35.5	35.6	34.8	34.5	30.9						



2001-03 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	80	(+130%)	24%
Low	55	(+55%)	13%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	0	0	1	0
Options	0	0	0	1	1	0	0	0	0
to Sell	0	0	0	1	1	0	0	0	1

Institutional Decisions

	4Q1997	1Q1998	2Q1998
to Buy	74	63	54
to Sell	48	48	58
Hld's(000)	40510	39675	37851

% TOT. RETURN 8/98

	THIS STOCK	VL ARITH. INDEX
1 yr.	-15.3	-11.4
3 yr.	-16.8	34.7
5 yr.	-30.8	70.3

1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	© VALUE LINE PUB., INC.	01-03
4.36	5.32	5.00	5.85	7.14	7.54	7.92	8.11	9.72	10.13	11.06	11.72	13.28	16.44	19.89	24.17	*29.35*	*34.65*	Revenues per sh	*53.35*
1.18	1.44	1.48	1.73	1.98	2.12	2.17	2.14	2.93	2.75	2.93	3.12	3.81	4.48	4.81	4.51	*5.05*	*7.00*	"Cash Flow" per sh	*11.10*
.44	.41	.45	.41	.42	.47	.40	.35	.86	.59	.55	.63	.92	1.07	1.02	d.45	*d1.00*	*.40*	Earnings per sh A	*2.75*
.14	.16	.18	.20	.21	.23	.24	.26	.28	.30	.32	.34	.36	.38	.40	.42	*.44*	*.46*	Div'ds Decl'd per sh B■	*.52*
3.11	2.80	2.32	2.43	2.20	2.42	2.50	2.68	3.38	4.34	3.60	3.94	5.84	6.31	9.01	12.92	*10.50*	*7.10*	Cap'l Spending per sh	*5.95*
3.71	3.98	4.08	4.28	4.83	5.89	7.81	12.00	14.17	18.46	21.27	24.30	26.77	29.01	33.29	32.33	*29.40*	*28.70*	Book Value per sh	*31.85*
16.18	16.47	19.86	20.35	21.69	23.15	24.79	29.57	30.32	34.96	41.25	50.38	55.03	58.06	61.06	60.87	*62.00*	*63.50*	Common Shs Outst'g C	*67.50*
9.2	14.9	10.0	11.5	18.6	25.5	46.3	NMF	38.7	56.4	64.8	70.2	46.8	38.1	41.1	NMF	*Bold figures are*		Avg Ann'l P/E Ratio	*24.0*
1.01	1.26	.93	.93	1.26	1.71	3.84	NMF	2.87	3.60	3.93	4.15	3.07	2.55	2.57	NMF	*Value Line*		Relative P/E Ratio	*1.70*
3.4%	2.6%	4.0%	4.1%	2.8%	1.9%	1.3%	.7%	.8%	.9%	.9%	.8%	.8%	.9%	1.0%	1.0%	*estimates*		Avg Ann'l Div'd Yield	*.8%*
						196.3	239.7	294.6	354.0	456.1	590.7	730.8	954.4	1214.6	1471.5	*1820*	*2200*	Revenues ($mill)	*3600*
						10.6	11.1	27.2	21.1	23.8	32.2	52.1	63.4	63.8	d25.5	*d60.0*	*27.5*	Net Profit ($mill)	*185*
						40.8%	41.8%	37.6%	41.4%	38.8%	42.9%	44.4%	35.6%	43.6%	NMF	*NMF*	*45.0%*	Income Tax Rate	*45.0%*
						5.4%	4.6%	9.2%	6.0%	5.2%	5.5%	7.1%	6.6%	5.2%	NMF	*NMF*	*4.5%*	Net Profit Margin	*5.2%*
						50.3%	39.0%	34.5%	32.2%	27.8%	25.7%	23.1%	29.6%	28.3%	34.4%	*40.5%*	*40.0%*	Long-Term Debt Ratio	*36.0%*
						41.4%	54.1%	58.1%	54.6%	60.2%	61.1%	63.4%	58.0%	58.5%	53.5%	*54.5%*	*54.7%*	Common Equity Ratio	*59.5%*
						467.2	655.6	739.6	1182.0	1456.7	2004.7	2324.9	2903.1	3476.8	3680.1	*3345*	*3330*	Total Capital ($mill)	*3625*
						379.2	463.1	624.5	997.2	1275.5	1738.3	2153.6	2471.8	1828.9	2465.7	*2550*	*2625*	Net Plant ($mill)	*2325*
						4.6%	3.4%	5.1%	3.2%	3.0%	2.8%	3.4%	3.3%	2.8%	.6%	*NMF*	*2.0%*	Return on Total Cap'l	*6.0%*
						5.0%	3.0%	6.1%	3.1%	2.6%	2.5%	3.4%	3.7%	3.1%	NMF	*NMF*	*1.5%*	Return on Shr. Equity	*8.0%*
						5.0%	2.8%	6.1%	3.0%	2.5%	2.4%	3.3%	3.5%	3.0%	NMF	*NMF*	*1.5%*	Return on Com Equity	*8.0%*
						2.0%	1.1%	3.6%	1.5%	1.1%	1.1%	2.0%	2.2%	1.8%	NMF	*NMF*	*NMF*	Retained to Com Eq	*7.0%*
						64%	66%	43%	53%	58%	58%	40%	38%	41%	NMF	*NMF*	*NMF*	All Div'ds to Net Prof	*17%*

CAPITAL STRUCTURE as of 6/30/98
Total Debt $1841.8 mill. Due in 5 Yrs $495.0 mill.
LT Debt $1313.6 mill. LT Interest $54.0 mill.

Pension Liability None—No defined benefit plan
Pfd Stock $29.0 mill. Pfd Div'd $1.0 mill.
Incl. 29 different series of redeemable and non-redeemable, with rates of 5%-9% and $44.8 liq. value. Portion of pfd. stock is conv't. into approx. 2,245,000 shs.
Common Stock 61,030,724 shs.
(Includes 6,942,975 Series A com. shs.)
as of 7/31/98
MARKET CAP: $2.1 billion (Mid Cap)

CURRENT POSITION ($MILL.)	1996	1997	6/30/98
Cash Assets	120.7	76.3	106.2
Other	225.4	332.0	325.9
Current Assets	346.1	408.3	432.1
Accts Payable	205.4	239.8	212.4
Debt Due	198.7	543.7	528.2
Other	105.2	122.4	129.7
Current Liab.	509.3	905.9	870.3
Fix. Chg. Cov.	302%	NMF	NMF

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '95-'97 to '01-'03
Revenues	11.5%	14.5%	*17.5%*
"Cash Flow"	9.0%	10.0%	*16.0%*
Earnings	2.0%	-4.0%	*31.0%*
Dividends	6.5%	6.0%	*4.5%*
Book Value	20.0%	12.0%	*Nil*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	210.0	232.1	256.5	255.8	954.4
1996	263.4	299.0	315.9	336.3	1214.6
1997	314.7	356.4	388.1	412.3	1471.5
1998	392.1	451.9	*470*	*506*	*1820*
1999	*490*	*545*	*555*	*610*	*2200*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	.24	.23	.36	.24	1.07
1996	.22	.31	.31	.18	1.02
1997	.15	.04	--	d.64	d.45
1998	d.64	d.32	*d.03*	*d.01*	*d1.00*
1999	*.09*	*.10*	*.15*	*.06*	*.40*

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1994	.09	.09	.09	.09	.36
1995	.095	.095	.095	.095	.38
1996	.10	.10	.10	.10	.40
1997	.105	.105	.105	.105	.42
1998	.11	.11	.11		

BUSINESS: Telephone & Data Systems, Inc. is a telecommunications company that serves about 471,000 access lines in mostly rural areas of 28 states. Telephone operations provided 30% of '97 revenues. Other subs. include 82%-owned American Paging (6% of revenues), 81%-owned U.S. Cellular (60% of revs.), and 83%-owned Aerial Communications (4% of revs.). 1997 depr. rate: 8.8%. Roughly 6,400 employees, 3,950 shareholders. Officers & Directors control about 94% of Series A common shares (and 53% of voting power), The Equitable Companies, 22.1% of common shs. (not Series A), (4/98 Proxy). President/C.E.O.: L.T. Carlson, Jr. Inc.: IA. Address: 30 N. LaSalle St., Suite 4000, Chicago, IL 60602. Telephone: 312-630-1900. Internet Address: www.teldta.com.

Telephone & Data Systems is still in the doldrums . . . During the second quarter, the company posted an operating loss of $0.32, which was well below our estimate and the Wall Street consensus. This lackluster performance is attributable to the combined effects of higher-than-anticipated personal communications services (PCS) development expenses associated with its Aerial Communications (AERL: 82%-owned) subsidiary, as well as higher-than-expected costs related to TDS Telecom's new product offerings.

. . . and will probably remain there for the balance of 1998. Indeed, we look for the company's near-term fortunes to continue to be negatively impacted by hefty start-up and depreciation costs resulting from the buildout of its PCS offering. In addition, TDS will have to boost its PCS promotional and advertising costs, so as to match a healthy increase in such spending by many of its rivals. Therefore, we have pared our 1998 share net estimate by $0.45, to a loss of $1.00 a share.

The company's restructuring plan is not going too well. Early in the second quarter, TDS shareholders approved a corporate restructuring which would create tracking stocks for Aerial Communications, U.S. Cellular (USM: 81%-owned), and TDS Telecommunications. The special committee appointed at Aerial Communications has rejected the proposal, yet is willing to consider a revised version which "preserves Aerial's inherent value". Separately, U.S. Cellular's special committee is still reviewing the proposal. As a result, we have no guidance as to when, or if, the transaction will take place.

Yet, we remain optimistic on TDS' prospects 3 to 5 years hence. U.S. Cellular achieved a market penetration rate of 8.0%, and we see more room for improvement, as the company continues to focus on cost containment. What's more, USM's sale and earnings figures should benefit as the company gains efficiencies and scale from its larger subscriber base.

These shares are ranked to lag the broader market over the next year. However, this equity's appreciation potential through the first few years of the new century is well above the *Value Line* median, based on our projections.

Kenneth A. Nugent *October 9, 1998*

(A) Prim. egs. thru '96, then diluted. Next egs. rpt. due late Oct. Excl. gain from disc. ops.: '86, 22¢; '87, 5¢; '88, 3¢. Excl. extra. chrg.: '91, 15¢; '92, 2¢; '93, 4¢; '94, 1¢. Excl. n-r. gains: '92, 21¢; '95, 66¢; '96, $1.06; '97, 26¢; '98 Q1, $1.84, Q2, $0.09. (B) Next div'd meeting about Dec. 4th. Next ex-div'd date Dec. 10th. Div'd pay. dates: 30th of March, June, Sept., & Dec. ■Div'd reinvest. plan avail. (5% discount). (C) In mill., adj. for stock splits. Common stock has 1 vote/sh.; Series A, 10 votes/sh.

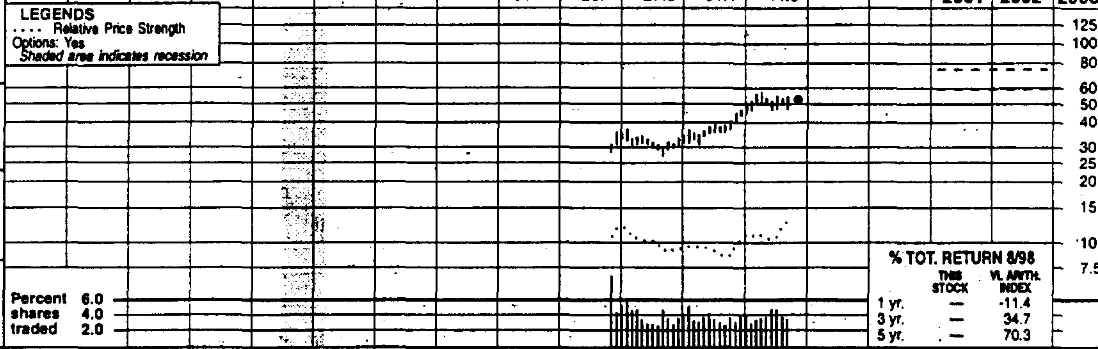
Company's Financial Strength	B
Stock's Price Stability	75
Price Growth Persistence	25
Earnings Predictability	15

U S WEST, INC. NYSE-USW

RECENT PRICE	53	P/E RATIO	17.4 (Trailing: 19.5 Median: NMF)	RELATIVE P/E RATIO	1.17	DIV'D YLD	4.0%	VALUE LINE	763

TIMELINESS 3 New 10/10/97
SAFETY 1 Raised 4/10/98
TECHNICAL 3 Lowered 8/21/98
BETA .70 (1.00 = Market)

	1995	1996	1997	1998
High:	36.4	37.5	46.9	58.0
Low:	28.4	27.3	31.1	44.6



2001-03 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(+40%)	12%
Low	60	(+15%)	7%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	3	2	1	2	0	1	0	1
to Sell	0	0	1	1	0	0	0	0	1

Institutional Decisions

	4Q1997	1Q1998	2Q1998
to Buy	248	231	321
to Sell	176	226	220
Hld's(000)	275824	282561	279787

On January 1, 1984, AT&T was broken up into the "new" AT&T and seven Regional Bell Operating Companies (RBOCs). Included among the RBOCs is U S West, Inc. On November 1, 1995, each share of U S West, Inc.'s stock was divided into one share of U S West Communications Group Common Stock and one share of U S West Media Group Common Stock (now MediaOne). On June 12, 1998, the Communications Group was renamed U S WEST, Inc., and had transferred to it (from MediaOne) the directory business known as Dex.

1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	© VALUE LINE PUB., INC.	01-03
--	--	--	--	--	--	19.55	20.02	20.98	21.27	*24.55*	*26.05*	Revenues per sh	*31.05*
--	--	--	--	--	--	6.41	6.65	6.80	6.55	*7.30*	*7.80*	"Cash Flow" per sh	*10.15*
--	--	--	--	--	--	2.42	2.35	2.44	2.57	*3.00*	*3.20*	Earnings per sh A	*4.15*
--	--	--	--	--	--	2.14	2.14	2.14	2.14	*2.14*	*2.14*	Div'ds Decl'd per sh B ■	*2.20*
--	--	--	--	--	--	4.80	5.20	5.03	4.41	*5.60*	*5.70*	Cap'l Spending per sh	*6.20*
--	--	--	--	--	--	6.77	7.34	8.15	8.66	*10.95*	*12.00*	Book Value per sh	*16.70*
--	--	--	--	--	--	469.34	473.64	480.46	485.06	*501.00*	*501.00*	Common Shs Outst'g C	*500.00*
--	--	--	--	--	--	--	13.6	13.1	14.5	Bold figures are		Avg Ann'l P/E Ratio	*16.0*
--	--	--	--	--	--	--	.91	.82	.84	Value Line		Relative P/E Ratio	*1.15*
--	--	--	--	--	--	--	6.7%	6.7%	5.7%	estimates		Avg Ann'l Div'd Yield	*3.3%*
--	--	--	--	--	--	9176.0	9484.0	10079	10319	*12300*	*13050*	Revenues ($mill)	*15530*
--	--	--	--	--	--	1099.0	1107.0	1164.0	1050.0	*1515*	*1615*	Net Profit ($mill)	*2085*
--	--	--	--	--	--	36.1%	35.7%	36.5%	39.4%	*38.0%*	*38.0%*	Income Tax Rate	*38.0%*
--	--	--	--	--	--	12.0%	11.7%	11.5%	10.2%	*12.3%*	*12.4%*	Net Profit Margin	*13.5%*
--	--	--	--	--	--	58.7%	62.1%	59.1%	54.5%	*62.0%*	*59.0%*	Long-Term Debt Ratio	*47.0%*
--	--	--	--	--	--	41.3%	37.9%	40.9%	45.5%	*38.0%*	*41.0%*	Common Equity Ratio	*53.0%*
--	--	--	--	--	--	7695.0	9165.0	9581.0	9219.0	*14385*	*14520*	Total Capital ($mill)	*15640*
--	--	--	--	--	--	13041	13529	14006	14232	*14820*	*15430*	Net Plant ($mill)	*16170*
--	--	--	--	--	--	16.1%	14.1%	14.2%	13.5%	*12.5%*	*13.0%*	Return on Total Cap'l	*15.0%*
--	--	--	--	--	--	34.6%	31.8%	29.7%	25.0%	*27.5%*	*27.0%*	Return on Shr. Equity	*25.0%*
--	--	--	--	--	--	34.6%	31.8%	29.7%	25.0%	*27.5%*	*27.0%*	Return on Com Equity	*25.0%*
--	--	--	--	--	--	6.7%	5.2%	5.7%	NMF	*8.0%*	*9.0%*	Retained to Com Eq	*11.5%*
--	--	--	--	--	--	81%	84%	81%	NMF	*71%*	*67%*	All Div'ds to Net Prof	*53%*

CAPITAL STRUCTURE as of 6/30/98
Total Debt $10699 mill. Due in 5 Yrs *$300.0 mill.*
LT Debt $7946 mill. LT Interest $500 mill.
(LT interest earned: 5.9x; total interest coverage: 4.8x)
Leases, Uncapitalized Annual rentals $194.0 mill.

Pension Liability None
Pfd Stock None

Common Stock 501.7 million shares
MARKET CAP: $28.6 billion (Large Cap)

CURRENT POSITION ($MILL.)	1996	1997	6/30/98
Cash Assets	80.0	27.0	730.0
Other	2002.0	2155.0	2486.0
Current Assets	2082.0	2182.0	3216.0
Accts Payable	998.0	1325.0	1187.0
Debt Due	834.0	716.0	2753.0
Other	1619.0	1959.0	2050.0
Current Liab.	3451.0	4000.0	5990.0
Fix. Chg. Cov.	526%	548%	628%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '95-'97 to '01-'03
Revenues	--	--	*7.0%*
"Cash Flow"	--	--	*7.5%*
Earnings	--	--	*9.0%*
Dividends	--	--	*Nil*
Book Value	--	--	*13.0%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	2318	2338	2389	2439	D9484.0
1996	2465	2500	2515	2599	10079
1997	2587	2543	2673	2516	10319
1998	2710	3053	*3205*	*3332*	*12300*
1999	*3200*	*3220*	*3280*	*3350*	*13050*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	.59	.60	.59	.57	2.35
1996	.61	.61	.59	.63	2.44
1997	.68	.64	.66	.59	2.57
1998	.78	.76	*.74*	*.72*	*3.00*
1999	*.83*	*.80*	*.80*	*.77*	*3.20*

Calendar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1994	.535	.535	.535	.535	2.14
1995	.535	.535	.535	.535	2.14
1996	.535	.535	.535	.535	2.14
1997	.535	.535	.535	.535	2.14
1998	.535	.535	.535		

BUSINESS: U S WEST, Inc. provides local exchange telephone service; exchange access service; and long-distance network services (within its Local Access and Transport Areas [LATAs]) to customers in Arizona, Colorado, Idaho, Iowa, Minn., Mont., Nebraska, New Mex., N. Dakota, Oregon, S. Dakota, Utah, Wash. and Wyoming. Access lines in service: 16.0 million. Access lines per Telco employee: 366. '97 revenue breakdown: local service, 49%; toll, 8%; access charges, 33%; other, 10%. '97 depreciation rate: 6.3%. Estimated plant age: 9 yrs. Has about 52,600 employees, 870,000 shareholders (4/98 proxy). President & C.E.O.: Sol Trujillo. Inc.: Colorado. Address: 1801 California Street, Suite 5200, Denver, CO 80202. Telephone: 1-800-879-4357. Internet: www. uswest.com

U S WEST's traditional, local exchange telephone business is sound. A strong economy and the ongoing proliferation of home computers should sustain the continued 4% growth in total access lines in use that we project for the foreseeable future. This increase will likely lead to local service revenue gains in the high single digits, for all of 1998. In particular, through mid-year, so called "second line" installations—typically those used to accommodate modems—rose by more than 20%, and we expect this trend to continue into 1999. Further, although penetration rates of popular ancillary phone services, such as Caller ID (33%) and Voice Messaging (tops in the industry, at 18%), remain quite high, there's still ample room to grow. On a negative note, increasing competition and rate reductions, especially in Washington state, should continue to hurt USW's long distance network services (7% of total revenues).

Yellow Pages publishing is once again a part of U S WEST. In June, USW "reacquired" the directory publisher, Dex, from MediaOne. (When the "old" U S West was split in 1995, the Dex operations were assigned to MediaOne, then known as U S West Media Group.) Increased advertising volume, as well as more expensive, elaborate ads, have produced 6% revenue gains for Dex, year over year, through June. (Note: Dex has contributed $0.13 to year-to-date share net and our pro forma $3.00 a share, 1998 earnings estimate assumes ownership of Dex from January 1st.)

Longer term, U S WEST is focused on the Internet and wireless services. The company's high-speed, digital data service, *MegaBit*, permits users to access the 'Net while making or receiving phone calls over the same line. *MegaBit's* long-term profit potential is high, but it should dilute earnings mildly this year and next. Similarly, USW's *Advanced PCS* service probably won't provide profits for four years (due to start-up costs), but here, too, the long-run potential is vast. This product links a customer's home telephone and PCS numbers, so no second number is needed.

Telecom merger mania has discounted much of the stock's gains potential. But its 4% dividend yield is attractive in the current interest rate environment.

Todd A. Schwartzman *October 9, 1998*

(A) Primary earnings through 1996, then diluted. Excludes net nonrecurring items: '94, 11¢; '95, 17¢; '96, 15¢; '97, 10¢. Next earnings report due late Oct.

(B) Next div'd meeting about Dec. 5th. Next ex date Jan. 8th. Div'd payment dates: 1st of Feb., May, Aug., Nov. ■ Dividend reinvestment plan available.

(C) In millions.
(D) Pro forma.

Company's Financial Strength	A+
Stock's Price Stability	80
Price Growth Persistence	NMF
Earnings Predictability	NMF

Index to Stocks

Prices quoted are those at the close of the market, December 30, 1997.
All shares are traded on the New York Stock Exchange except where noted. Options trading is indicated by an exchange symbol. ASE (American Stock Exchange), CBO (Chicago), NDQ (NASDAQ), NYS (New York), PAC (Pacific), PHL (Philadelphia), TCO (Trans Canada Options), TSE (Toronto).

PAGE NUMBERS
Bold type refers to Ratings and Reports; *italics to Selection & Opinion*

Page (Selection & Opinion)	Page (Ratings and Reports)	NAME OF STOCK		Ticker Symbol	Recent Price	Timeliness	Rank for Safety	Beta	Estimated Range of 3-5 yr. average prices 2000-2002		Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 6-30-98	(f) Est'd Div'd next 12 mos.	Industry Rank	Latest Results: Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Technical Rank	Where Options Trade
	553	AAR Corp.		AIR	39	2	3	.70	40- 60	(5- 55%)	21.1	1.2	1.85	.48	41	11/30	.46	.32	12/31	.12	.12	3	PHL
	1002	ABB AB ADR(•)	(NDQ)	ABBBY	12	4	2	.80	13- 18	(10- 50%)	21.4	1.9	.56	.23	75	6/30	.15	.15	12/31	NIL	NIL	3	
	334	ABM Industries Inc.		ABM	31	3	3	.65	30- 45	(N- 45%)	22.8	1.5	1.36	.48	15	10/31	.40	.33	3/31	▲.12	.10	3	
	852	ABT Building	(NDQ)	ABTC	18	4	4	.80	20- 30	(10- 65%)	8.9	NIL	2.02	NIL	65	9/30	.46	.60	12/31	NIL	NIL	4	
	603	ACE Limited		ACL	94	2	3	.90	100-145	(5- 55%)	13.4	1.0	6.99	.96	62	9/30	2.24	1.46	3/31	▲.24	.18	2	PAC
	974	ACM Gov't Income Fund		ACG	11	4	1	.60	13- 15	(20- 35%)	NMF	8.2	NMF	.90	78	6/30	10.41(q)	9.33(q)	12/31	.225	.225	4	
	773	ADC Telecom.	(NDQ)	ADCT	43	1	3	1.55	50- 80	(15- 85%)	37.4	NIL	1.15	NIL	5	10/31	.28	.22	12/31	NIL	NIL	2	PAC
	1896	AES Corp.		AES	47	2	3	.80	40- 60	(N- 30%)	38.2	NIL	1.23	NIL	70	9/30	.28	.21	12/31	NIL	NIL	2	
	1195	AFLAC Inc.		AFL	51	3	3	1.00	60- 90	(20- 75%)	18.5	1.0	2.76	.50	32	9/30	.68	.62	12/31	.115	.10	3	ASE
	1302	AGCO Corp.		AG	29	3	4	1.15	45- 75	(55-160%)	9.8	0.1	2.96	.04	64	9/30	.70	.54	12/31	.01	.01	3	PAC
	467	AGL Resources		ATG	21	5	2	.75	20- 30	(N- 45%)	16.0	5.4	1.31	1.14	86	9/30	d.07	d.04	12/31	.27	.27	4	
	1395	AK Steel Holding		AKS	18	4	3	.75	25- 35	(40- 95%)	7.6	2.8	2.37	.50	81	9/30	.80	.64	12/31	.125	.10	3	
	262	AMR Corp.		AMR	126	2	3	1.10	110-170	(N- 35%)	11.0	NIL	11.44	NIL	4	9/30	3.55	3.06	12/31	NIL	NIL	3	ASE
	1754	APL Limited							SEE FINAL SUPPLEMENT - PAGE 1754														
1756	113	APS Holding 'A'	(NDQ)	APSI	2 7/16	▼4	5	1.05	5- 10	(110-315%)	NMF	NIL	d.92	NIL	77	10/31	d.38	.44	12/31	NIL	NIL	5	
	1236	ARCO Chemical		RCM	47	4	1	.75	60- 70	(30- 50%)	16.5	6.0	2.84	2.80	67	9/30	.82	1.00	12/31	.70	.70	4	ASE
	263	ASA Holdings	(NDQ)	ASAI	29	3	3	1.25	40- 55	(40- 90%)	14.2	1.5	2.04	.44	4	9/30	.51	.53	12/31	.10	.095	2	CBO
	2181	ASA Ltd.		ASA	21	4	3	.60	30- 45	(45-115%)	NMF	5.7	NMF	1.20	86	8/31	27.39(q)	NIL(q)	12/31	.30	.30	5	ASE
532	741	AT&T Corp.		T	63	–	2	NMF	55- 75	(N- 20%)	22.1	2.1	2.85	1.32	40	9/30	.71	.84	3/31	.33	.33	–	CBO
	199	ATL Ultrasound	(NDQ)	ATLI	46	3	3	1.05	60- 90	(30- 95%)	28.9	NIL	1.59	NIL	34	9/30	d.14	.25	12/31	NIL	NIL	2	PHL
	200	Abbott Labs.		ABT	67	3	2	1.05	75-100	(10- 50%)	23.5	1.7	2.85	1.17	34	9/30	.61	.54	3/31	.27	.24	3	PHL
	914	Abitibi-Consolidated		ABY	14	–	3	1.00	20- 30	(45-115%)	18.4	2.1	.78	.30	89	9/30	.05	.15	3/31	.074	.074	–	CBO
1756	2193	Acclaim Entertainment	(NDQ)	AKLM	3 11/16	3	5	1.55	8- 14	(115-280%)	NMF	NIL	d1.10	NIL	10	8/31	d1.09	d1.96	12/31	NIL	NIL	3	CBO
	335	AccuStaff Inc		ASI	23	1	4	1.40	35- 55	(50-140%)	20.0	NIL	1.15	NIL	15	9/30	.27	.17	12/31	NIL	NIL	1	CBO
	1396	Acme Metals		AMI	10	4	3	.80	30- 40	(200-300%)	NMF	NIL	d1.14	NIL	81	9/30	d.91	.25	12/31	NIL	NIL	4	
	201	Acuson Corp.		ACN	17	3	3	1.10	35- 50	(105-195%)	20.5	NIL	.83	NIL	34	9/30	.15	.06	12/31	NIL	NIL	4	PAC
	2182	Adams Express		ADX	24	3	2	.75	30- 40	(25- 65%)	NMF	2.2	NMF	.52	86	9/30	29.48(q)	23.81(q)	12/31	.17	.19	3	
	1061	Adaptec Inc.	(NDQ)	ADPT	38	1	3	1.65	65- 95	(70-150%)	16.2	NIL	2.34	NIL	7	9/30	.53	.39	12/31	NIL	NIL	3	ASE
	2194	Adobe Systems	(NDQ)	ADBE	40	3	3	1.25	75-115	(90-190%)	18.0	0.5	2.22	.20	18	11/30	.56	.91	12/31	.05	.05	3	PAC
	1053	Advanced Micro Dev.		AMD	17	4	3	1.45	40- 65	(135-280%)	43.6	NIL	.39	NIL	28	9/30	d.22	d.25	12/31	NIL	NIL	5	PAC
	2139	ADVANTA Corp. 'A'	(NDQ)	ADVNA	26	–	3	1.50	45- 65	(75-150%)	7.6	2.0	3.41	.52	13	9/30	.92	.98	12/31	.11	.11	–	CBO
	1411	Advest Group		ADV	25	2	3	1.25	20- 30	(N- 20%)	14.5	0.6	1.73	.16	3	9/30	.48	.24	3/31	▲.04	NIL	1	
	1851	ADVO, Inc.		AD	20	–	4	NMF	25- 40	(25-100%)	14.8	NIL	1.35	NIL	19	9/30	.35	.29	12/31	NIL	NIL	-	
	1194	AEGON Ins. Group		AEG	90	3	3	.75	95-115	(5- 30%)	22.8	1.9	3.95	1.75	32	6/30	.95	.84	12/31	NIL	NIL	3	
	1303	Aeroquip-Vickers		ANV	48	3	3	.90	55- 80	(15- 65%)	11.2	1.7	4.30	.80	64	9/30	1.05	.72	12/31	.20	.20	2	PHL
	650	Aetna Inc.		AET	70	4	3	1.05	120-185	(70-165%)	17.7	1.2	3.95	.82	30	9/30	.96	1.01	3/31	.20	.20	3	ASE
	1162	Ahmanson (H.F.)		AHM	67	2	3	1.35	65- 95	(N- 40%)	18.3	1.3	3.67	.88	16	9/30	.84	.49	12/31	.22	.22	2	ASE
	1506	Ahold ADR		AHO	26	–	3	NMF	25- 35	(N- 35%)	27.1	1.3	.96	.35	71	6/30	.21	.13	12/31	.106	.094	–	
	264	Air Express Int'l	(NDQ)	AEIC	28	2	3	1.00	35- 55	(25- 95%)	18.1	0.7	1.55	.20	4	9/30	.38	.31	3/31	.05	.04	2	
	1900	Air Products & Chem.		APD	82	3	2	1.00	90-120	(10- 45%)	19.2	1.5	4.28	1.22	87	9/30	.96	.85	3/31	.30	.275	3	PHL

★★ Supplementary Report in this week's edition.
▲ Arrow indicates the direction of a change. When it appears with the Latest Dividend, the arrow signals that a change in the regular payment rate has occurred in the latest quarter.

For Timeliness, Estimated Range of 3- to 5-year average prices 2000-2002, or Estimated Earnings 12 months to 6-30-98, the arrow indicates a change since the preceding week. When a diamond ♦ (indicating a new figure) appears alongside the latest quarterly earnings results, the rank change probably was primarily caused by the earnings report. In other cases, the change is due to the dynamics of the ranking system and could simply be the result of the improvement or weakening of other stocks.

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PAGE NUMBERS
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PAGE NUMBERS		NAME OF STOCK	Ticker Symbol	Recent Price	Timeliness	Rank for Safety	Beta	Estimated Range of 3-5 yr. average prices 2000-2002		Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 6-30-98	(f) Est'd Div'd next 12 mos.	Industry Rank	LATEST RESULTS Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Technical Rank	Where Options Trade
1437	265	Airborne Freight	ABF	62	1	3	1.35	70-110	(15- 75%)	12.4	0.5	5.01	.30	4	9/30	1.87	.22	12/31	.075	.075	1	PHL
1436	493	Airgas Inc.	ARG	14	4	3	1.10	25- 35	(80-150%)	19.4	NIL	.72	NIL	73	9/30	.16	.17	12/31	NIL	NIL	3	PHL
	742	AirTouch Communic.	ATI	41	1	3	1.30	▲55- 85	(35-105%)	41.4	NIL	▼.99	NIL	40	9/30	.25	.10	12/31	NIL	NIL	2	CBO
	1901	Akzo Nobel NV ADR(g) (NDQ)	AKZOY	87	3	2	.80	105-145	(20- 65%)	19.4	2.4	4.48	2.09	87	9/30	1.13	.89	12/31	.637	.439	3	
	266	Alaska Air Group	ALK	38	1	4	1.05	45- 75	(20- 95%)	8.6	NIL	4.43	NIL	4	9/30	2.85	2.40	12/31	NIL	NIL	3	ASE
	1304	Albany Int'l 'A'	AIN	23	3	3	.75	30- 45	(30- 95%)	13.6	1.9	1.69	.44	64	9/30	.37	.41	3/31	.105	.10	3	
	1902	Albemarle Corp.	ALB	25	2	3	.95	30- 45	(20- 80%)	17.6	1.4	1.42	.36	87	9/30	.33	.13	3/31	.09	.07	2	PAC
	831	Alberto Culver 'B'	ACV	33	3	3	.85	30- 45	(N- 35%)	24.3	0.7	1.36	.22	51	9/30	.36	.32	12/31	.05	.045	4	ASE
	1507	Albertson's, Inc.	ABS	48	2	2	.85	45- 65	(N- 35%)	22.7	1.3	2.11	.64	71	10/31	.50	.42	3/31	.16	.15	3	PHL
	1223	Alcan Aluminium	AL	27	4	3	.95	40- 60	(50-120%)	10.2	2.3	2.64	.63	69	9/30	.47	.43	12/31	.15	.15	5	ASE
	789	Alcatel Alsthom ADR(g)	ALA	26	3	3	1.00	30- 45	(15- 75%)	23.6	2.0	1.10	.53	60	6/30	.30(p)	d.02(p)	12/31	NIL	NIL	3	CBO
	294	Alexander & Baldwin (NDQ)	ALEX	27	4	3	.65	35- 50	(30- 85%)	17.1	3.3	1.58	.88	30	9/30	.48	.51	12/31	.22	.22	4	
	743	Aliant Communic. (NDQ)	ALNT	33	2	3	.70	▲25- 35	(N- 5%)	21.7	2.1	1.52	.68	40	9/30	.39	.33	3/31	.17	.16	2	PAC
	163	Allegheny Energy	AYE	32	4	1	.75	30- 40	(N- 25%)	13.7	5.5	2.33	1.76	85	9/30	.61	.46	12/31	.43	.43	5	PAC
★★	1346	Allegheny Teledyne	ALT	26	–	3	NMF	25- 40	(N- 55%)	15.8	2.5	1.65	.64	36	9/30	.35	.26	12/31	.16	.16	–	
1434	774	Allen Telecom	ALN	19	2	4	1.55	35- 55	(85-190%)	16.4	NIL	1.16	NIL	5	9/30	.29	.23	12/31	NIL	NIL	2	ASE
	202	Allergan, Inc.	AGN	33	4	3	.85	40- 60	(20- 80%)	21.0	1.7	1.57	.55	34	9/30	.34	.57	12/31	.13	.13	3	PHL
	2140	Alliance Capital Mgmt.	AC	39	2	3	1.15	35- 50	(N- 30%)	13.3	7.6	2.94	2.96	13	9/30	.76	.57	12/31	▲.74	.55	3	
	574	Allied Products	ADP	24	3	3	.85	30- 40	(25- 65%)	14.5	0.7	1.65	.16	25	9/30	.40	.35	12/31	.04	.033	3	
	359	Allied Waste (NDQ)	AWIN	24	1	4	.80	25- 40	(5- 65%)	31.2	NIL	.77	NIL	37	9/30	.19	.09	12/31	NIL	NIL	1	CBO
	1347	AlliedSignal Inc.	ALD	39	3	1	1.30	50- 60	(30- 55%)	17.9	1.3	2.18	.52	36	9/30	.52	.45	12/31	.13	.113	3	PHL
1282	605	Allstate Corp.	ALL	91	2	3	1.15	90-130	(N- 45%)	15.7	1.1	5.80	1.02	62	9/30	1.89	.65	3/31	.24	.24	3	ASE
	744	ALLTEL Corp.	AT	41	4	2	.90	40- 55	(N- 35%)	18.8	2.9	2.18	1.18	40	9/30	.53	.48	3/31	▲.29	.275	4	PAC
	203	ALPHARMA Inc.	ALO	22	2	4	.65	20- 35	(N- 60%)	26.8	0.8	.82	.18	34	9/30	.22	NIL	3/31	.045	.045	1	PHL
246	1054	Altera Corp. (NDQ)	ALTR	33	3	4	1.60	60- 95	(80-190%)	20.6	NIL	1.60	NIL	23	9/30	.40	.25	12/31	NIL	NIL	3	NYS
	1224	Aluminum Co. of Amer.	AA	70	3	3	.95	80-125	(15- 80%)	12.8	2.2	5.49	1.52	69	9/30	1.25	.39	12/31	.25	.333	3	CBO
	1246	ALZA Corp.	AZA	31	3	3	1.20	40- 60	(30- 95%)	24.2	NIL	1.28	NIL	21	9/30	.31	.27	12/31	NIL	NIL	4	PAC
	2166	Ambac Fin'l Group	ABK	45	3	2	.95	45- 60	(0- 35%)	13.9	0.8	3.24	.38	57	9/30	.87	.63	12/31	.09	.083	3	PAC
	575	Amcast Industrial	AIZ	23	5	3	.70	35- 55	(50-140%)	12.6	2.5	1.83	.58	25	11/30	.44	.48	12/31	.14	.14	4	
	403	Amerada Hess	AHC	54	4	3	.80	55- 85	(0- 55%)	65.9	1.2	.82	.65	72	9/30	.22	.29	3/31	.15	.30	4	PHL
	277	AMERCO (NDQ)	UHAL	25	3	4	1.15	40- 65	(60-160%)	11.3	NIL	2.21	NIL	17	9/30	1.54	1.42	12/31	NIL	NIL	3	
	604	Allmerica Financial	AFC	50	–	3	NMF	45- 70	(N- 40%)	12.8	0.5	3.92	.24	62	9/30	1.04	.93	3/31	.05	.05	–	ASE
	2195	America Online	AOL	88	3	4	1.75	70-115	(N- 30%)	NMF	NIL	.85	NIL	10	9/30	.12	.17	12/31	NIL	NIL	1	ASE
687	2167	Amer. Bankers Ins.	ABI	46	–	3	.95	40- 60	(N- 30%)	17.7	1.1	2.60	.49	57	9/30	.63	.51	12/31	.11	.10	–	
	1119	Amer. Business Prod.	ABP	22	5	3	.90	30- 40	(35- 80%)	18.3	2.8	1.20	.62	18	9/30	.28	.39	12/31	.155	.145	4	
686	164	Amer. Elec. Power	AEP	52	3	2	.70	40- 55	(N- 5%)	15.1	4.6	3.44	2.40	85	9/30	1.07	.87	12/31	.60	.60	4	CBO
	2141	Amer. Express	AXP	88	3	3	1.30	75-110	(N- 25%)	20.3	1.0	4.33	.90	13	9/30	1.10	.95	3/31	.225	.225	3	CBO
	606	Amer. Financial Group	AFG	40	4	3	1.05	35- 50	(N- 25%)	15.6	2.5	2.57	1.00	62	9/30	.57	3.31	12/31	.25	.25	3	PHL
530	278	Amer. Freightways (NDQ)	AFWY	9⅞	3	4	.50	19- 30	(90-205%)	12.4	NIL	.80	NIL	17	9/30	.25	.10	12/31	NIL	NIL	2	
	2168	Amer. General Corp.	AGC	54	4	2	1.15	55- 75	(0- 40%)	15.7	2.6	3.45	1.40	57	9/30	.91	.82	12/31	.35	.325	3	CBO
	943	Amer. Greetings (NDQ)	AGREA	38	3	3	1.00	35- 55	(N- 45%)	15.5	1.9	2.45	.74	46	11/30	1.07	1.00	12/31	▲.18	.17	3	
	1247	Amer. Home Products	AHP	77	4	1	.95	85-105	(10- 35%)	21.8	2.2	3.54	1.72	21	9/30	.85	.77	12/31	▲.43	.41	3	ASE
687	2169	Amer. Int'l Group	AIG	110	3	2	1.20	110-150	(0- 35%)	22.4	0.3	4.90	.30	57	9/30	1.19	1.04	3/31	.075	.067	3	CBO
	1082	Amer. Power Conv. (NDQ)	APCC	23	1	4	1.20	30- 55	(30-140%)	16.4	NIL	1.40	NIL	7	9/30	.38	.30	12/31	NIL	NIL	3	CBO
	1348	Amer. Standard	ASD	38	4	3	1.00	40- 60	(5- 60%)	13.1	NIL	2.89	NIL	36	9/30	.75	.73	12/31	NIL	NIL	5	CBO
1758	1508	Amer. Stores	ASC	20	5	3	.70	30- 40	(50-100%)	13.6	1.8	1.47	.36	71	10/31	.22	.26	3/31	.09	.08	3	CBO
	1404	Amer. Water Works	AWK	27	4	1	.60	25- 30	(N- 10%)	18.4	2.8	1.47	.76	80	9/30	.54	.45	12/31	.19	.175	4	
	204	AmeriSource Health 'A'	AAS	57	–	3	.65	50- 75	(N- 30%)	22.3	NIL	2.56	NIL	34	9/30	.66	.56	12/31	NIL	NIL	–	
1437	745	Ameritech Corp.(•)	AIT	42	3	1	.90	35- 45	(N- 5%)	18.8	2.9	2.24	1.20	40	9/30	.53	.47	3/31	▲.30	.282	3	CBO
	853	Ameron Int'l	AMN	64	3	3	.80	70-100	(10- 55%)	12.6	2.0	5.07	1.28	65	8/31	1.72	1.50	12/31	.32	.32	3	
	1349	Ametek, Inc.	AME	27	–	3	NMF	30- 45	(10- 65%)	17.0	0.9	1.59	.24	36	9/30	.39	.40	12/31	.06	.06	–	PHL
	1248	Amgen (NDQ)	AMGN	53	3	3	1.00	75-110	(40-110%)	18.9	NIL	2.80	NIL	21	9/30	.66	.64	12/31	NIL	NIL	5	ASE
	404	Amoco Corp.	AN	86	4	1	.70	115-140	(35- 65%)	16.3	3.4	5.28	2.90	72	9/30	1.30	1.08	12/31	.70	.65	4	CBO
	1022	AMP Inc.	AMP	42	3	1	1.10	70- 90	(65-115%)	17.9	2.6	2.35	1.08	27	9/30	.55	.43	12/31	.26	.25	3	CBO
	589	Ampco-Pittsburgh	AP	19	3	3	.75	25- 35	(30- 85%)	13.7	2.0	1.39	.38	83	9/30	.31	.25	3/31	▲.09	.16	2	
	2102	AmSouth Bancorp.	ASO	55	3	2	1.00	45- 60	(N- 10%)	19.1	2.2	2.88	1.20	58	9/30	.70	.41	3/31	▲.30	.28	3	ASE
	1858	Anadarko Petroleum	APC	60	3	3	.75	100-150	(65-150%)	27.0	0.5	2.22	.30	59	9/30	.29	.21	12/31	.075	.075	3	CBO
	1055	Analog Devices	ADI	28	3	3	1.45	35- 55	(25- 95%)	23.3	NIL	1.20	NIL	28	10/31	.29	.26	12/31	NIL	NIL	2	PHL
	136	Analogic Corp. (NDQ)	ALOG	37	3	3	.95	35- 50	(N- 35%)	20.0	0.5	1.85	.20	9	10/31	.36	.31	12/31	.05	.05	3	
247	1801	Anchor Gaming (NDQ)	SLOT	54	2	3	1.35	100-150	(85-180%)	10.7	NIL	5.06	NIL	24	9/30	1.23	.60	12/31	NIL	NIL	1	
	775	Andrew Corp. (NDQ)	ANDW	23	3	3	1.60	40- 65	(75-185%)	17.8	NIL	1.29	NIL	5	9/30	.34	.34	12/31	NIL	NIL	5	CBO
1928	336	Angelica Corp.	AGL	22	3	3	.75	30- 40	(35- 80%)	20.4	4.4	1.08	.96	15	10/31	.28	.20	3/31	.24	.24	4	
	1535	Anheuser-Busch	BUD	45	4	1	.85	55- 65	(20- 45%)	18.1	2.4	2.49	1.06	45	9/30	.79	.74	12/31	.26	.24	5	PHL
	1350	Anixter Int'l	AXE	17	1	4	1.05	30- 50	(75-195%)	17.0	NIL	1.00	NIL	36	9/30	.24	.18	12/31	NIL	NIL	3	CBO
	1681	AnnTaylor Stores	ANN	13	3	5	1.20	16- 30	(25-130%)	23.2	NIL	.56	NIL	12	10/31	.08	.21	12/31	NIL	NIL	5	NYS
	2170	Aon Corp.	AOC	57	3	2	1.05	50- 65	(N- 15%)	21.0	1.8	2.72	1.04	57	9/30	.56	.48	12/31	.26	.24	3	PAC
987	1859	Apache Corp.	APA	34	3	3	.75	45- 70	(30-105%)	19.8	0.8	1.72	.28	59	9/30	.33	.34	3/31	.07	.07	3	NYS
531	854	Apogee Enterprises (NDQ)	APOG	12	3	3	.70	30- 40	(150-235%)	13.2	1.7	.91	.20	65	11/30	.20	.27	12/31	▲.05	.045	2	PAC
	337	Apollo Group 'A' (NDQ)	APOL	48	1	3	1.25	35- 55	(N- 15%)	60.8	NIL	.79	NIL	15	11/30	.20	.14	12/31	NIL	NIL	1	
	1083	Apple Computer (NDQ)	AAPL	13	3	5	.95	20- 40	(55-210%)	NMF	NIL	d.04	NIL	7	9/30	d.19	.06	12/31	NIL	NIL	3	ASE
687	308	Apple South (NDQ)	APSO	13	3	4	1.25	30- 45	(130-245%)	11.8	0.3	1.10	.04	35	9/30	.26	.15	12/31	.01	.008	2	CBO
687	309	Applebee's Int'l (NDQ)	APPB	18	3	3	1.15	45- 70	(150-290%)	11.2	0.4	1.61	.08	35	9/30	.39	.35	3/31	▲.08	.07	3	CBO
	1305	Applied Ind'l Techn.	APZ	27	2	3	.60	30- 45	(10- 65%)	16.2	1.8	1.67	.48	64	9/30	.33	.29	12/31	▲.12	.107	2	
388	1084	Applied Magnetics	APM	11	3	4	1.95	40- 70	(265-535%)	NMF	NIL	NIL	NIL	7	9/30	.60	.51	12/31	NIL	NIL	5	CBO
	1075	Applied Materials (NDQ)	AMAT	30	2	3	1.85	45- 70	(50-135%)	14.6	NIL	2.05	NIL	23	10/31	.49	.25	12/31	NIL	NIL	1	PAC
	1306	Applied Power	APW	68	2	3	.90	70-105	(5- 55%)	20.1	0.2	3.39	.12	64	11/30	.83	.67	12/31	.03	.03	2	
1142	651	Apria Healthcare	AHG	14	–	4	.90	19- 30	(35-115%)	13.3	NIL	1.05	NIL	39	9/30	.31	.40	12/31	NIL	NIL	–	ASE
	944	AptarGroup	ATR	54	2	3	.65	45- 70	(N- 30%)	19.9	0.6	2.77	.34	46	9/30	.69	.50	12/31	.08	.07	2	
	1405	Aquarion Co.	WTR	37	3	3	.65	25- 40	(N- 10%)	16.4	4.4	2.25	1.64	80	9/30	.80	.63	3/31	.41	.405	4	
	806	Arbor Drugs (NDQ)	ARBR	19	▲1	3	.95	13- 19	(N- 0%)	28.4	1.3	.67	.25	20	10/31	.13	.11	3/31	▲.06	.04	3	PHL
	1462	Archer Daniels Midl'd	ADM	21	4	3	.85	20- 35	(N- 65%)	18.3	1.0	1.15	.20	42	9/30	.24	.32	12/31	.05	.048	3	PHL
	370	Argentina Fund	AF	13	3	4	1.30	25- 40	(90-210%)	NMF	2.7	NMF	.35	82	4/30	14.98(q)	12.63(q)	9/30	NIL	NIL	3	

(•) All data adjusted for announced stock split or stock dividend. See back page of Ratings & Reports.
◆ New figure this week.
(b) Canadian Funds.
d Deficit.
(f) The estimate may reflect a probable increase or decrease. If a dividend boost or cut is possible but not probable, two figures are shown, the first is the more likely.
(g) Dividends subject to foreign withholding tax for U.S. residents.
(h) Est'd Earnings & Est'd Dividends after conversion to U.S. dollars at Value Line estimated translation rate.
(j) All Index data expressed in hundreds.
(p) 6 months (q) Asset Value
N=Negative figure NA=Not available NMF=No meaningful figure

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Sel. & Op.	Rpt.	NAME OF STOCK		Ticker Symbol	Recent Price		Timeliness	Rank for Safety	Beta	Estimated Range of 3-5 yr. average prices 2000-2002		Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 6-30-98	(f) Est'd Div'd next 12 mos.	Industry Rank	LATEST RESULTS Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Technical Rank	Where Options Trade
	279	Arkansas Best	(NDQ)	ABFS	9⅝		2	5	1.10	14- 25	(50-165%)	8.2	NIL	1.14	NIL	17	9/30	.37	d.49	12/31	NIL	NIL	1	CBO
	590	Armco Inc.		AS	4¾		2	4	1.10	10- 18	(110-275%)	8.3	NIL	.58	NIL	83	9/30	.21	.05	12/31	NIL	NIL	2	PHL
	855	Armstrong World Inds.		ACK	74		3	3	1.00	75-110	(0- 50%)	13.1	2.5	5.66	1.84	65	9/30	1.44	1.06	12/31	▲.44	.40	4	PHL
	1023	Arrow Electronics		ARW	32		3	3	1.20	40- 60	(25- 90%)	14.3	NIL	2.24	NIL	27	9/30	.50	.43	12/31	NIL	NIL	3	ASE
	1423	Arrow Int'l	(NDQ)	ARRO	37		2	3	.60	40- 60	(10- 60%)	21.0	0.5	1.76	.20	34	8/31	.42	.35	12/31	.045	.04	3	
6566	814	Arvin Ind.		ARV	33		2	3	.90	40- 60	(20- 80%)	12.0	2.5	2.74	.82	44	9/30	.58	.37	12/31	▲.20	.19	2	ASE
	1225	Asarco Inc.		AR	23		3	3	1.15	30- 40	(30- 75%)	16.8	3.5	1.37	.80	94	9/30	.34	.14	12/31	.20	.20	4	ASE
	1085	Ascend Communic.	(NDQ)	ASND	24		3	4	1.95	40- 65	(65-170%)	20.5	NIL	1.17	NIL	7	9/30	.20	.28	12/31	NIL	NIL	5	
	405	Ashland Inc.		ASH	53		3	3	.85	65- 95	(25- 80%)	15.3	2.1	3.47	1.10	72	9/30	1.06	.64	12/31	.275	.275	3	PHL
	1163	Astoria Financial	(NDQ)	ASFC	56		2	3	1.05	55- 80	(N- 45%)	16.8	1.1	3.34	.60	16	9/30	.81	.65	12/31	.15	.11	3	CBO
	165	Atlantic Energy, Inc.		ATE	21		3	3	.65	16- 25	(N- 20%)	11.9	7.3	1.77	1.54	85	9/30	.89	.62	12/31	.385	.385	4	
	406	Atlantic Richfield		ARC	80		4	1	.70	80- 95	(0- 20%)	15.6	3.6	5.13	2.90	72	9/30	1.31	1.47	12/31	.713	.688	3	CBO
	1056	Atmel Corp.	(NDQ)	ATML	18		3	4	1.65	45- 70	(150-290%)	12.4	NIL	1.45	NIL	28	9/30	.30	.53	12/31	NIL	NIL	3	CBO
	468	Atmos Energy		ATO	30		4	3	.55	25- 35	(N- 15%)	19.0	3.5	1.58	1.06	86	9/30	d.31	d.25	12/31	▲.265	.25	3	
	2196	Autodesk, Inc.	(NDQ)	ADSK	36		2	3	1.25	50- 75	(40-110%)	18.0	0.7	2.00	.24	10	10/31	.41	.15	3/31	.06	.06	2	PAC
	2197	Automatic Data Proc.		AUD	63		3	1	1.00	55- 65	(N- 5%)	34.2	0.8	1.84	.53	10	9/30	.36	.32	3/31	▲.133	.115	3	PHL
	1682	AutoZone Inc.		AZO	29		1	3	1.10	35- 50	(20- 70%)	20.1	NIL	1.44	NIL	12	11/30	.31	.25	12/31	NIL	NIL	3	CBO
	494	Avery Dennison		AVY	45		3	2	.80	50- 70	(10- 55%)	21.6	1.9	2.08	.84	73	9/30	.50	.42	12/31	▲.21	.17	4	PHL
	554	Aviall, Inc.		AVL	15		–	4	.95	18- 30	(20-100%)	10.6	NIL	1.41	NIL	41	9/30	.35	d.01	12/31	NIL	NIL	–	PHL
	1024	Avnet, Inc.		AVT	66		3	3	1.20	80-120	(20- 80%)	13.9	0.9	4.75	.60	27	9/30	1.02	.97	3/31	.15	.15	4	ASE
1926	832	Avon Products		AVP	62		4	3	1.00	60- 90	(N- 45%)	24.4	2.2	2.54	1.36	51	9/30	.52	.47	12/31	.315	.29	3	CBO
	1802	Aztar Corp.		AZR	6¼		3	4	.85	7- 11	(15- 75%)	36.5	NIL	.17	NIL	24	9/30	.07	NIL	12/31	NIL	NIL	4	CBO
	1581	B.A.T Inds. ADR(g)	(ASE)	BTI	19		4	3	.95	30- 40	(60-110%)	10.7	6.1	1.78	1.16	63	9/30	.46	.48	12/31	NIL	NIL	4	
1143	2103	BB&T Corp.		BBK	64		3	2	1.10	50- 70	(N- 10%)	21.8	1.9	2.94	1.24	58	9/30	.45	.50	3/31	.31	.27	2	PHL
	790	BC TELECOM	(TSE)	BCT.TO	44	b	3	2	.65	▲45- 65	(0- 50%)	19.2	3.1	2.29	1.38	60	9/30	.61(b)	.56(b)	3/31	.34(b)	.33(b)	3	TCO
	791	BCE Inc.		BCE	34		3	2	.85	35- 50	(5- 45%)	23.4	3.0	1.45	1.02	60	9/30	.34	.25	3/31	.252	.252	3	PAC
	1872	BJ Services		BJS	69		1	3	.95	120-180	(75-160%)	18.0	NIL	3.84	NIL	1	9/30	.94	.45	12/31	NIL	NIL	2	CBO
	1644	BJ's Wholesale Club		BJ	30		–	3	NMF	35- 55	(15- 85%)	15.5	NIL	1.94	NIL	14	10/31	.36	.29	12/31	NIL	NIL	–	
	2198	BMC Software	(NDQ)	BMCS	66		1	3	1.30	80-120	(20- 80%)	29.9	NIL	2.21	NIL	10	9/30	.45	.33	12/31	NIL	NIL	2	CBO
		BMC West								NAME CHANGED TO BUILDING MATERIALS HLDG.														
	1176	BRE Properties		BRE	28		3	2	.55	30- 40	(5- 45%)	18.3	5.0	1.53	1.40	74	9/30	.42	.30	12/31	.345	.33	4	
	1873	Baker Hughes		BHI	42		2	3	.95	50- 80	(20- 90%)	20.7	1.1	2.03	.46	1	9/30	.51	.38	12/31	.115	.115	3	PAC
	1003	Baldor Electric(•)		BEZ	22		3	3	.60	25- 40	(15- 80%)	19.0	1.8	1.16	.40	75	9/30	.28	.24	3/31	▲.10	.165	3	
	945	Ball Corp.		BLL	36		3	3	.70	40- 60	(10- 65%)	17.0	1.7	2.12	.60	46	9/30	.73	.62	12/31	.15	.15	3	ASE
	205	Ballard Medical		BMP	24		2	3	1.05	30- 45	(25- 90%)	20.0	0.4	1.20	.10	34	9/30	.28	.24	3/31	.05	.05	3	ASE
685	166	Balt. Gas & Elec.		BGE	34		3	2	.80	25- 35	(N- 5%)	14.7	4.9	2.32	1.67	85	9/30	1.11	.93	3/31	.41	.40	4	PAC
1280	630	Banc One Corp.		ONE	54		4	3	1.30	65- 95	(20- 75%)	15.7	3.0	3.43	1.60	31	9/30	.73	.81	3/31	.38	.72	3	PAC
	2233	Banco Bilbao Vis. ADR(g)		BBV	32		4	3	.85	30- 40	(N- 25%)	24.8	2.2	1.29	.70	–	9/30	.30	.30	12/31	.128	.188	2	
	2234	Banco Santander ADR(g)		STD	32		3	3	.85	30- 45	(N- 40%)	20.6	2.5	1.55	.80	–	9/30	.34	.32	12/31	.205	.183	2	
	2199	BancTec, Inc.		BTC	27		3	3	.80	30- 45	(10- 65%)	12.6	NIL	2.14	NIL	10	9/30	.48	.42	12/31	NIL	NIL	3	
	123	Bandag, Inc.		BDG	54		5	1	.70	55- 70	(0- 30%)	15.0	2.0	3.59	1.10	50	9/30	1.04	1.02	3/31	▲.275	.25	4	
	1574	Bank of Montreal	(TSE)	BMO.TO	64	b	3	2	1.00	65- 85	(0- 35%)	12.5	2.8	5.10	1.76	33	10/31	1.20(b)	1.10(b)	12/31	▲.44(b)	.40(b)	3	TCO
	2104	Bank of New York		BK	57		3	3	1.40	50- 75	(N- 30%)	19.5	1.8	2.93	1.04	58	9/30	.69	.60	12/31	▲.26	.22	3	CBO
	1575	Bank of Nova Scotia	(TSE)	BNS.TO	67	b	3	3	1.00	55- 85	(N- 25%)	13.1	2.4	5.12	1.60	33	10/31	1.23(b)	1.08(b)	3/31	▲.40(b)	.37(b)	3	TCO
	2105	BankAmerica Corp.		BAC	72		2	3	1.45	65-100	(N- 40%)	15.6	1.9	4.62	1.36	58	9/30	1.11	.88	12/31	.305	.27	3	CBO
	2106	BankBoston Corp.		BKB	93		3	3	1.30	80-120	(N- 30%)	15.0	2.3	6.18	2.10	58	9/30	1.47	1.21	12/31	▲.51	.44	3	PHL
	2107	Bankers Trust NY		BT	113		3	3	1.15	110-160	(N- 40%)	13.4	3.5	8.41	4.00	58	9/30	2.16	1.98	3/31	1.00	1.00	3	PAC
	1818	Banta Corp.	(NDQ)	BNTA	27		4	3	.80	35- 55	(30-105%)	13.5	1.8	2.00	.48	68	9/30	.46	.49	3/31	.12	.11	3	PHL
	206	Bard (C.R.)		BCR	31		4	3	1.10	45- 65	(45-110%)	16.3	2.4	1.90	.74	34	9/30	.46	.43	3/31	.18	.17	3	PHL
6552	1683	Barnes & Noble		BKS	33		2	3	1.15	35- 50	(5- 50%)	37.5	NIL	.88	NIL	12	10/31	NIL	d.04	12/31	NIL	NIL	2	ASE
	1351	Barnes Group		B	23		3	2	.75	30- 40	(30- 75%)	11.1	2.9	2.08	.67	36	9/30	.50	.44	12/31	.167	.15	3	
987	2108	Barnett Banks Inc.		BBI	73		–	3	1.25	50- 70	(N- N%)	22.7	1.9	3.21	1.36	58	9/30	.86	.65	3/31	.31	.27	–	ASE
	2200	BARRA, Inc.	(NDQ)	BARZ	24		1	3	1.00	40- 70	(65-190%)	18.5	NIL	1.30	NIL	10	9/30	.26	.21	12/31	NIL	NIL	2	
	1874	Barrett Resources		BRR	29		3	4	.80	45- 70	(55-140%)	32.2	NIL	.90	NIL	1	9/30	.14	.22	12/31	NIL	NIL	3	PAC
	1209	Barrick Gold		ABX	19		4	3	.75	30- 45	(60-135%)	24.7	0.8	.77	.16	91	9/30	.19	.17	12/31	.08	.07	5	ASE
1435	1672	Barry (R.G.)		RGB	11		3	4	.95	20- 30	(80-175%)	10.9	NIL	1.01	NIL	78	9/30	.52	.50	12/31	NIL	NIL	3	
	903	Bassett Furniture	(NDQ)	BSET	31		4	3	.65	25- 40	(N- 30%)	22.5	3.2	1.38	1.00	29	8/31	.33	.36	12/31	.20	.20	3	
	1210	Battle Mtn. Gold Co.		BMG	5⅞		4	3	.45	9- 13	(55-120%)	NMF	0.8	d.06	.05	91	9/30	d.01	NIL	12/31	NIL	NIL	4	CBO
	207	Bausch & Lomb		BOL	39		4	3	.95	50- 70	(30- 80%)	18.1	2.8	2.15	1.10	34	9/30	.53	.54	3/31	.26	.26	3	ASE
	208	Baxter Int'l Inc.		BAX	50		3	3	1.10	65- 95	(30- 90%)	20.4	2.4	2.45	1.20	34	9/30	.57	.50	3/31	▲.291	.283	3	CBO
	1086	Bay Networks		BAY	26		2	3	1.35	25- 40	(N- 55%)	27.4	NIL	.95	NIL	7	9/30	.22	.25	12/31	NIL	NIL	1	PHL
	469	Bay State Gas		BGC	37		–	2	.55	35- 45	(N- 20%)	17.6	4.4	2.10	1.61	86	9/30	d.70	d.60	12/31	.395	.385	–	
	1412	Bear Stearns		BSC	46		3	3	1.60	40- 60	(N- 30%)	10.3	1.3	4.45	.60	3	9/30	1.11	.71	12/31	.15	.143	2	CBO
	209	Beckman Instruments		BEC	41		5	3	1.00	60- 90	(45-120%)	17.7	1.7	2.32	.68	34	9/30	.68	.65	12/31	.15	.13	4	CBO
	210	Becton, Dickinson		BDX	50		3	2	1.05	65- 90	(30- 80%)	19.3	1.2	2.59	.60	34	9/30	.69	.66	3/31	▲.145	.26	4	PHL
	1684	Bed Bath & Beyond	(NDQ)	BBBY	38		2	3	1.40	50- 70	(30- 85%)	36.9	NIL	1.03	NIL	12	11/30	.27	.20	12/31	NIL	NIL	2	CBO
	1004	Belden Inc.		BWC	35		3	3	1.00	45- 70	(30-100%)	13.7	0.6	2.55	.22	75	9/30	.59	.51	3/31	.05	.05	4	ASE
	746	Bell Atlantic Corp.		BEL	91		3	1	.95	90-105	(N- 15%)	17.5	3.4	5.19	3.08	40	9/30	1.25	1.06	3/31	.77	.72	3	CBO
390	1025	Bell Inds.		BI	13		5	3	.90	25- 35	(90-170%)	10.0	NIL	1.30	NIL	27	9/30	.40	.48	12/31	NIL	NIL	3	
	747	BellSouth Corp.		BLS	58		3	2	1.00	▲55- 80	(N- 40%)	19.7	2.6	2.94	1.50	40	9/30	.71	.63	3/31	.36	.36	3	ASE
	1790	Belo (A.H.) 'A' Corp.		BLC	53		3	3	.70	50- 75	(N- 40%)	34.2	0.9	1.55	.48	54	9/30	.24	.42	3/31	▲.12	.11	3	
1279	946	Bemis Co.		BMS	44		5	2	.95	45- 65	(0- 50%)	19.8	2.0	2.22	.86	46	9/30	.47	.45	12/31	.20	.18	3	PHL
1280	1463	Ben & Jerry's 'A'	(NDQ)	BJICA	16		2	4	1.05	14- 25	(N- 55%)	22.2	NIL	.72	NIL	42	9/30	.34	.25	12/31	NIL	NIL	3	
	2142	Beneficial Corp.		BNL	81		3	3	1.10	90-130	(10- 60%)	14.7	2.8	5.51	2.28	13	9/30	1.40	1.22	12/31	.57	.52	3	PAC
	211	Bergen Brunswig		BBC	41		–	3	.95	40- 60	(N- 45%)	21.5	1.2	1.91	.48	34	9/30	.41	.36	12/31	.12	.096	–	CBO
	607	Berkley (W.R.)	(NDQ)	BKLY	45		3	3	.75	40- 60	(N- 35%)	15.4	1.0	2.93	.44	62	9/30	.69	.71	3/31	.11	.087	3	PHL
1281	1352	Berkshire Hathaway(j)		BRKA	460		3	2	.90	540-730	(15- 60%)	46.3	NIL	9.94	NIL	36	9/30	201.00	166.34	12/31	NIL	NIL	3	
	1860	Berry Petroleum 'A'		BRY	17		2	3	.65	20- 30	(20- 75%)	17.3	2.4	.98	.40	59	9/30	.23	.18	12/31	.10	.10	3	
246	1685	Best Buy Co.		BBY	35		1	5	1.00	20- 40	(N- 15%)	23.3	NIL	1.50	NIL	12	11/30	.57	d.26	12/31	NIL	NIL	1	CBO
★★	1397	Bethlehem Steel		BS	8½		2	4	1.10	15- 25	(75-195%)	8.9	NIL	.95	NIL	81	9/30	.27	.12	12/31	NIL	NIL	2	CBO
	495	BetzDearborn		BTL	61		3	3	.80	75-115	(25- 90%)	18.0	2.5	3.39	1.52	73	9/30	.81	.64	3/31	.38	.375	4	PAC
	652	Beverly Enterprises		BEV	13		–	3	NMF	15- 25	(15- 90%)	15.7	NIL	.83	NIL	39	9/30	.26	.23	12/31	NIL	NIL	–	PAC

★★ Supplementary Report in this week's edition.
▲ Arrow indicates the direction of a change. When it appears with the Latest Dividend, the arrow signals that a change in the regular payment rate has occurred in the latest quarter.

For Timeliness, Estimated Range of 3- to 5-year average prices 2000-2002, or Estimated Earnings 12 months to 6-30-98, the arrow indicates a change since the preceding week. When a diamond ◆ (indicating a new figure) appears alongside the latest quarterly earnings results, the rank change probably was primarily caused by the earnings report. In other cases, the change is due to the dynamics of the ranking system and could simply be the result of the improvement or weakening of other stocks.

PAGE NUMBERS
Bold type refers to Ratings and Reports; *italics to Selection & Opinion*

Page (italic)	Page (bold)	NAME OF STOCK		Ticker Symbol	Recent Price		Timeliness	Rank for Safety	Beta	Estimated Range of 3-5 yr. average prices 2000-2002		Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 6-30-98	(f) Est'd Div'd next 12 mos.	Industry Rank	LATEST RESULTS Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Technical Rank	Where Options Trade
	433	Can. Occidental Pet.	(TSE)	CXY.TO	33	b	4	3	.65	40- 60	(20- 80%)	30.8	0.9	1.07	.30	92	9/30	.23(b)	.34(b)	3/31	.075(b)	.075(b)	2	TCO
	301	Canadian Pac. Ltd.		CP	27		3	3	.95	35- 55	(30-105%)	13.8	1.3	1.95	.36	49	9/30	.49	.39	3/31	.089	.089	3	PHL
687	1537	Canandaigua Brands 'A'	(NDQ)	CBRNA	56		1	3	.70	65- 95	(15- 70%)	20.1	NIL	2.78	NIL	45	11/30	.90	.42	12/31	NIL	NIL	1	ASE
	1560	Canon Inc. ADR(g)	(NDQ)	CANNY	118		3	2	.60	145-195	(25- 65%)	21.1	0.6	5.60	.68	76	6/30	2.75(p)	2.10(p)	12/31	.309	.325	3	
686	2145	Capital One Fin'l		COF	54		1	3	1.45	55- 80	(0- 50%)	19.1	0.6	2.82	.32	13	9/30	.72	.58	12/31	.08	.08	3	CBO
	216	Cardinal Health		CAH	74		2	3	1.05	80-115	(10- 55%)	29.6	0.2	2.50	.12	34	9/30	.49	.39	3/31	.025	.025	3	ASE
	124	Carlisle Cos.		CSL	43		2	2	.80	65- 85	(50-100%)	17.0	1.4	2.53	.60	50	9/30	.63	.50	12/31	.14	.123	2	
	1561	Carlton ADR(g)	(NDQ)	CCTVY	40		3	3	.65	45- 70	(15- 75%)	26.5	2.4	1.51	.95	76	3/31	.64(p)	.55(p)	12/31	NIL	NIL	4	
	1775	Carnival Corp. 'A'		CCL	55		2	3	1.15	45- 65	(N- 20%)	24.1	1.1	2.28	.60	38	11/30	.54	.39	12/31	▲.15	.11	3	CBO
	168	Carolina Power & Lt.		CPL	42		4	1	.80	30- 40	(N- N%)	14.6	4.7	2.87	1.96	85	9/30	1.15	.88	3/31	▲.485	.47	4	PHL
	592	Carpenter Technology		CRS	49		3	3	.70	60- 90	(20- 85%)	12.1	2.7	4.05	1.32	83	9/30	.85	.46	12/31	.33	.33	3	PHL
	833	Carter-Wallace		CAR	17		3	3	1.20	15- 25	(N- 45%)	22.7	1.1	.75	.18	51	9/30	.10	.12	12/31	.04	.04	3	CBO
	1308	Cascade Corp.		CAE	17		4	3	.85	25- 40	(45-135%)	11.6	2.9	1.46	.50	64	10/31	.24	.37	12/31	.10	.09	3	
	471	Cascade Natural Gas		CGC	19		4	3	.60	16- 25	(N- 30%)	19.6	5.1	.97	.97	86	9/30	d.23	d.19	3/31	.24	.24	4	
	1309	Case Corp.		CSE	60		3	3	1.20	80-125	(35-110%)	11.3	0.4	5.29	.25	64	9/30	.98	.80	3/31	.05	.05	3	ASE
	1509	Casey's Gen'l Stores	(NDQ)	CASY	25		2	3	.80	30- 45	(20- 80%)	20.0	0.5	1.25	.12	71	10/31	.41	.34	3/31	.03	.025	3	CBO
	340	Catalina Marketing		POS	47		2	3	1.30	70-110	(50-135%)	24.9	NIL	1.89	NIL	15	9/30	.43	.35	12/31	NIL	NIL	2	ASE
	873	Catellus Development		CDX	20		3	3	.95	25- 40	(25-100%)	64.5	NIL	.31	NIL	11	9/30	.06	d.05	12/31	NIL	NIL	3	ASE
	1310	Caterpillar Inc.		CAT	49		3	3	1.20	60- 90	(20- 85%)	11.1	2.0	4.41	1.00	64	9/30	1.03	.81	3/31	▲.25	.20	2	ASE
	1776	Cedar Fair L.P.		FUN	26		4	2	.75	30- 40	(15- 55%)	16.7	4.9	1.56	1.28	38	9/30	1.81	1.80	12/31	▲.32	.313	3	
533	2144	Cendant Corp.		CD	34		▲1	3	1.25	40- 60	(20- 75%)	35.8	NIL	.95	NIL	13	10/31	.23	.18	12/31	NIL	NIL	2	PHL
	1754	Centerior Energy								SEE FINAL SUPPLEMENT - PAGE 1754														
	874	Centex Corp.		CTX	63		1	3	1.35	50- 75	(N- 20%)	14.7	0.5	4.30	.32	11	9/30	1.20	.96	3/31	.07	.05	2	NYS
531	217	Centocor	(NDQ)	CNTO	33		2	5	1.35	45- 80	(35-140%)	48.5	NIL	.68	NIL	34	9/30	.06	d.02	12/31	NIL	NIL	2	CBO
686	704	Cen. & South West		CSR	27		–	3	.75	20- 30	(N- 10%)	15.1	6.4	1.79	1.74	90	9/30	.86	.90	12/31	.435	.435	–	PAC
	169	Cen. Hudson G. & E.		CNH	43		4	3	.60	30- 45	(N- 5%)	15.0	5.0	2.87	2.15	85	9/30	.72	.73	3/31	.535	.53	4	
	705	Cen. La. Electric		CNL	33		4	1	.70	30- 35	(N- 5%)	15.1	4.9	2.19	1.61	90	9/30	1.00	.91	12/31	.395	.385	4	
	170	Cen. Maine Power		CTP	15		3	4	.75	12- 20	(N- 35%)	18.3	6.0	.82	.90-.63	85	9/30	d.24	.04	3/31	.225	.225	3	
	1834	Cen. Newspapers 'A'		ECP	72		3	1	.75	75- 95	(5- 30%)	19.1	1.2	3.77	.86	56	9/30	.76	.57	3/31	.21	.19	2	
	171	Cen. Vermont Pub. Serv.		CV	15		3	2	.75	12- 16	(N- 5%)	10.1	6.0	1.49	.90	85	9/30	d.02	d.11	3/31	.22	.22	4	
	749	Century Tel. Enterprises		CTL	50		2	3	.95	▲60- 90	(20- 80%)	18.8	0.8	2.53	.41	40	9/30	.67	.60	12/31	.093	.09	3	PAC
	1425	Cephalon Inc.	(NDQ)	CEPH	12		3	4	1.15	20- 35	(65-190%)	NMF	NIL	d1.63	NIL	21	9/30	d.47	d.68	12/31	NIL	NIL	5	CBO
1595	2203	Ceridian Corp.		CEN	46		3	3	1.10	45- 70	(N- 50%)	17.7	NIL	2.60	NIL	10	9/30	.69	.55	12/31	NIL	NIL	3	CBO
	679	Cerner Corp.	(NDQ)	CERN	21		2	4	1.40	25- 40	(20- 90%)	38.9	NIL	.54	NIL	2	9/30	.13	.02	12/31	NIL	NIL	1	CBO
	1550	Champion Enterprises		CHB	21		3	3	1.25	25- 35	(20- 65%)	14.0	NIL	1.50	NIL	6	9/30	.42	.42	12/31	NIL	NIL	3	ASE
	917	Champion Int'l		CHA	45		3	3	.95	60- 85	(35- 90%)	42.1	0.4	1.07	.20	89	9/30	.21	.34	3/31	.05	.05	3	CBO
	1792	Chancellor Media	(NDQ)	AMFM	71		–	4	1.25	70-100	(N- 40%)	NMF	NIL	d1.99	NIL	54	9/30	d.23	d.07	12/31	NIL	NIL	–	
	1690	Charming Shoppes	(NDQ)	CHRS	4 11/16		3	5	1.05	6- 12	(30-155%)	36.2	NIL	.13	NIL	12	10/31	NIL	d.03	12/31	NIL	NIL	3	PHL
	1164	Charter One Fin'l	(NDQ)	COFI	63		3	3	1.20	70-100	(10- 60%)	15.6	1.7	4.05	1.05	16	9/30	.95	.84	12/31	.25	.219	3	PHL
1757	2109	Chase Manhattan Corp.		CMB	110		–	3	NMF	105-160	(N- 45%)	12.9	2.5	8.53	2.72	58	9/30	2.26	1.78	3/31	.62	.56	–	ASE
	137	Checkpoint Systems		CKP	17		2	4	1.15	25- 40	(45-135%)	25.8	NIL	.66	NIL	9	9/30	.17	.15	12/31	NIL	NIL	3	PAC
	1354	Chemed Corp.		CHE	41		3	2	.70	45- 60	(10- 45%)	16.0	5.2	2.57	2.12	36	9/30	.21	.40	12/31	▲.53	.52	4	
	1904	ChemFirst Inc.		CEM	28		–	3	NMF	30- 50	(5- 80%)	18.7	1.5	1.50	.43	87	9/30	.33	NA	12/31	.10	.10	–	
	918	Chesapeake Corp.		CSK	34		4	3	.80	45- 65	(30- 90%)	23.8	2.4	1.43	.80	89	9/30	.41	.40	3/31	.20	.20	3	ASE
	408	Chevron Corp.		CHV	78		4	1	.85	85-105	(10- 35%)	17.4	3.1	4.49	2.38	72	9/30	1.11	1.00	12/31	.58	.54	3	ASE
	372	Chile Fund		CH	17		4	4	.95	35- 60	(105-255%)	NMF	4.7	NMF	.80	82	6/30	29.75(q)	27.09(q)	9/30	.26	.01	4	
	1466	Chiquita Brands Int'l		CQB	16		3	4	.65	25- 40	(55-150%)	37.2	1.3	.43	.20	42	9/30	d.57	d.20	12/31	.05	.05	3	PHL
	1252	Chiron Corp.	(NDQ)	CHIR	17		2	3	1.10	30- 45	(75-165%)	36.2	NIL	.47	NIL	21	9/30	.10	.04	12/31	NIL	NIL	3	ASE
	1467	Chock Full o'Nuts		CHF	6 7/8		3	4	.85	8- 13	(15- 90%)	11.5	NIL	.60	NIL	42	10/31	.12	.11	12/31	NIL	NIL	3	
1278	1793	Chris-Craft		CCN	51		4	2	.80	55- 70	(10- 35%)	52.6	NIL	.97	NIL	54	9/30	.14	d.05	12/31	NIL	NIL	3	CBO
	102	Chrysler		C	35		4	3	.95	35- 50	(0- 45%)	8.3	5.1	4.24	1.80	43	9/30	.65	.93	3/31	.40	.40	3	CBO
	608	Chubb Corp.		CB	77		3	2	1.05	80-110	(5- 45%)	17.7	1.6	4.36	1.21	62	9/30	1.12	.88	3/31	.29	.27	3	NYS
	957	Church & Dwight		CHD	30		3	3	.80	25- 35	(N- 15%)	21.7	1.6	1.38	.48	61	9/30	.33	.27	12/31	.12	.11	3	
	706	CILCORP Inc.		CER	49		3	2	.70	▲40- 50	(N- 0%)	16.3	5.0	3.01	2.46	90	9/30	.96	.92	12/31	.615	.615	4	
	750	Cincinnati Bell		CSN	31		3	3	.90	40- 55	(30- 75%)	18.5	1.3	1.68	.40	40	9/30	.38	.32	3/31	.10	.10	4	CBO
	609	Cincinnati Financial	(NDQ)	CINF	138		3	2	.70	90-125	(N- N%)	24.8	1.3	5.57	1.75	62	9/30	1.37	.82	3/31	.41	.37	3	ASE
	1311	Cincinnati Milacron		CMZ	26		2	3	1.05	40- 60	(55-130%)	12.6	1.8	2.07	.48	64	9/30	.56	.47	12/31	▲.12	.09	2	PHL
	707	Cinergy Corp.		CIN	39		5	2	.85	30- 40	(N- 5%)	16.5	4.6	2.36	1.81	90	9/30	.53	.63	12/31	.45	.45	4	
	341	Cintas Corp.	(NDQ)	CTAS	40		▲2	3	.90	40- 60	(0- 50%)	34.8	0.5	1.15	.18	15	11/30	.29	.24	12/31	NIL	NIL	3	ASE
	1691	Circuit City Group		CC	35		4	3	1.00	45- 65	(30- 85%)	32.4	0.4	1.08	.14	12	11/30	.14	.20	3/31	.035	.035	3	PAC
	1803	Circus Circus Enterpr.		CIR	20		4	3	1.25	35- 55	(75-175%)	14.8	NIL	1.35	NIL	24	10/31	.29	.34	12/31	NIL	NIL	5	ASE
	1058	Cirrus Logic	(NDQ)	CRUS	11		2	4	1.35	20- 35	(80-220%)	15.5	NIL	.71	NIL	28	9/30	.13	d.02	12/31	NIL	NIL	2	CBO
	1088	Cisco Systems(•)	(NDQ)	CSCO	56		1	3	1.50	55- 85	(N- 50%)	31.6	NIL	1.77	NIL	7	10/31	.39	.31	12/31	NIL	NIL	2	CBO
532	2110	Citicorp		CCI	126		3	3	1.40	120-180	(N- 45%)	14.0	1.9	8.99	2.40	58	9/30	2.19	1.85	12/31	.525	.45	3	CBO
	751	Citizens Utilities		CZN	9 9/16		4	2	.60	9- 13	(N- 35%)	30.0	NIL	▼.32	NIL	40	9/30	.09	.19	12/31	NIL	NIL	5	
	2111	City National Corp.		CYN	35		2	3	1.30	30- 40	(N- 15%)	19.6	1.4	1.79	.50	58	9/30	.44	.39	12/31	.11	.09	3	CBO
	1692	Claire's Stores		CLE	19		1	3	1.20	25- 40	(30-110%)	15.3	0.8	1.24	.16	12	10/31	.22	.15	12/31	.03	.03	2	NYS
	947	CLARCOR Inc.		CLC	30		3	3	.85	30- 45	(0- 50%)	15.8	2.2	1.90	.66	46	8/31	.50	.44	3/31	▲.165	.163	3	
	1551	Clayton Homes		CMH	18		2	3	1.20	20- 30	(10- 65%)	15.7	0.5	1.15	.09	6	9/30	.25	.22	3/31	.02	.016	3	PHL
	1794	Clear Channel		CCU	79		2	3	1.10	65- 95	(N- 20%)	NMF	NIL	.80	NIL	54	9/30	.20	.04	12/31	NIL	NIL	2	CBO
	593	Cleveland-Cliffs		CLF	46		5	3	.85	50- 75	(10- 65%)	9.8	3.0	4.70	1.40	83	9/30	1.37	1.84	12/31	.325	.325	5	
	958	Clorox Co.		CLX	80		3	1	.95	60- 75	(N- N%)	28.9	1.6	2.77	1.28	61	9/30	.72	.63	12/31	.32	.29	3	PHL
	1552	Coachmen Ind.		COA	22		3	3	1.00	20- 35	(N- 60%)	13.2	1.2	1.67	.26	6	9/30	.50	.55	12/31	.05	.05	3	
	449	Coastal Corp.		CGP	61		3	3	.80	70-105	(15- 70%)	16.1	0.7	3.79	.40	84	9/30	.71	.51	3/31	.10	.10	3	CBO
687	1544	Coca-Cola		KO	67		4	1	1.15	60- 75	(N- 10%)	40.6	0.8	1.65	.56	52	9/30	.41	.39	12/31	.28	.25	4	CBO
	1545	Coca-Cola Enterprises		CCE	36		2	3	1.15	25- 40	(N- 10%)	NMF	0.4	.34	.15	52	9/30	.14	.10	12/31	.025	.008	2	CBO
1755	1211	Coeur d'Alene Mines		CDE	8 3/4		▼5	4	.65	18- 30	(105-240%)	NMF	NIL	d.74	NIL	91	9/30	d.41	d.03	12/31	NIL	NIL	5	CBO
	138	Cognex Co.	(NDQ)	CGNX	25		1	4	1.30	30- 50	(20-100%)	22.9	NIL	1.09	NIL	9	9/30	.29	.14	12/31	NIL	NIL	1	PAC
	680	Cognizant Corp.		CZT	44		–	3	NMF	60- 90	(35-105%)	22.6	0.3	1.95	.12	2	9/30	.47	.42	12/31	.03	NIL	–	ASE
	139	Coherent, Inc.	(NDQ)	COHR	35		3	3	1.00	70-110	(100-215%)	13.7	NIL	2.56	NIL	9	9/30	.56	.74	12/31	NIL	NIL	3	PAC
	959	Colgate-Palmolive		CL	73		3	2	1.10	70- 95	(N- 30%)	28.9	1.5	2.53	1.10	61	9/30	.62	.53	12/31	.275	.235	3	CBO
	218	Collagen Corp.	(NDQ)	CGEN	21		▲3	3	.95	25- 35	(20- 65%)	NMF	1.0	d.50	.20	34	9/30	d.13	d.10	3/31	.10	.10	4	ASE

★★ Supplementary Report in this week's edition.
▲ Arrow indicates the direction of a change. When it appears with the Latest Dividend, the arrow signals that a change in the regular payment rate has occurred in the latest quarter. For Timeliness, Estimated Range of 3- to 5-year average prices 2000-2002, or Estimated Earnings 12 months to 6-30-98, the arrow indicates a change since the preceding week. When a diamond ◆ (indicating a new figure) appears alongside the latest quarterly earnings results, the rank change probably was primarily caused by the earnings report. In other cases, the change is due to the dynamics of the ranking system and could simply be the result of the improvement or weakening of other stocks.

PAGE NUMBERS
Bold type refers to Ratings and Reports:
italics to Selection & Opinion

Selection & Opinion	Ratings & Reports	NAME OF STOCK		Ticker Symbol	Recent Price	Timeliness	Rank for Safety	Beta	Estimated Range of 3-5 yr. average prices 2000-2002	Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 6-30-98	(f) Est'd Div'd next 12 mos.	Industry Rank	LATEST RESULTS Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Technical Rank	Where Options Trade
	1612	Farah Inc.		FRA	5½	3	4	.75	10- 20 (80-265%)	10.4	NIL	.53	NIL	55	10/31	.15	.10	12/31	NIL	NIL	5	
390	887	Fastenal Co	(NDQ)	FAST	39	2	3	1.25	60- 85 (55-120%)	32.8	0.1	1.19	.02	22	9/30	.30	.23	12/31	NIL	NIL	2	ASE
	130	Fedders Corp		FJC	6⁷⁄₁₆	4	4	.70	12- 20 (95-230%)	11.7	1.3	.52	.08	48	11/30	d.09	d.05	3/31	.02	.02	4	NYS
988	270	Federal Express		FDX	61	3	3	1.25	70-110 (15- 80%)	15.6	NIL	3.90	NIL	4	11/30	.91	.79	12/31	NIL	NIL	3	CBO
6446	115	Federal-Mogul		FMO	41	▼2	3	1.15	45- 70 (10- 70%)	21.9	1.2	1.87	.50	77	9/30	.40	.01	12/31	.12	.12	2	PAC
	1179	Federal Rlty. Inv. Trust		FRT	26	3	2	.75	30- 40 (15- 55%)	26.0	6.6	1.00	1.72	74	9/30	.24	.24	3/31	.43	.42	5	
	1008	Federal Signal		FSS	22	5	2	.75	40- 55 (80-150%)	16.2	3.2	1.36	.70	75	9/30	.35	.35	12/31	.168	NIL	5	ASE
	1651	Federated Dept. Stores		FD	43	2	3	1.15	50- 70 (15- 65%)	16.0	NIL	2.69	NIL	14	10/31	.47	.33	12/31	NIL	NIL	3	CBO
	501	Ferro Corp.		FOE	24	3	3	.85	30- 45 (25- 90%)	15.3	2.1	1.57	.50	73	9/30	.35	.30	12/31	▲.12	.103	3	PHL
530	1634	Fieldcrest Cannon							SEE FINAL SUPPLEMENT - PAGE 530													
	633	Fifth Third Bancorp	(NDQ)	FITB	81	2	2	1.05	55- 75 (N- N%)	29.8	1.1	2.72	.92	31	9/30	.66	.49	3/31	.22	.193	3	PHL
	1357	Figgie Int'l 'A'							SEE LATEST REPORT													
	1698	Filene's Basement	(NDQ)	BSMT	4	3	5	1.00	10- 19 (150-375%)	10.5	NIL	.38	NIL	12	10/31	.15	.17	12/31	NIL	NIL	3	ASE
	1699	Fingerhut Cos.		FHT	21	2	3	.90	25- 40 (20- 90%)	14.5	0.8	1.45	.16	12	9/30	.26	.18	12/31	.04	.04	2	NYS
	2148	FINOVA Group		FNV	50	2	3	1.05	50- 75 (0- 50%)	18.7	1.1	2.67	.56	13	9/30	.63	.54	3/31	.14	.12	3	ASE
	634	First American (Tenn.)	(NDQ)	FATN	50	3	3	1.05	40- 65 (N- 30%)	19.5	1.8	2.57	.88	31	9/30	.63	.47	12/31	.20	.155	2	CBO
	373	First Australia Fund	(ASE)	IAF	7⁵⁄₁₆	4	3	.90	15- 20 (105-175%)	NMF	3.4	NMF	.25	82	4/30	10.66(q)	11.18(q)	9/30	.052	.15	5	
	976	First Australia Prime	(ASE)	FAX	7⁵⁄₁₆	4	2	.60	12- 16 (65-120%)	NMF	9.9	NMF	.72	79	4/30	9.47(q)	9.65(q)	12/31	.18	.21	5	
	961	First Brands Corp.		FBR	27	5	3	.75	30- 45 (10- 65%)	16.4	1.5	1.65	.40	61	9/30	.30	.43	3/31	▲.10	.08	4	PHL
	635	First Chicago NBD		FCN	83	–	2	NMF	70- 95 (N- 15%)	16.1	2.2	5.16	1.80	31	9/30	1.26	1.08	3/31	▲.44	.40	–	CBO
	2210	First Data Corp		FDC	30	3	2	1.30	45- 60 (50-100%)	29.1	0.3	1.03	.08	10	9/30	.42	.36	3/31	.02	.02	3	ASE
	1426	First Empire State	(ASE)	FES	455	3	2	.65	440-600 (N- 30%)	16.4	0.7	27.82	3.20	58	9/30	6.62	5.05	12/31	.80	.70	3	
	2114	First Hawaiian Inc.	(NDQ)	FHWN	41	3	2	.80	40- 55 (N- 35%)	14.8	3.1	2.77	1.29	58	9/30	.67	.60	12/31	.31	.31	3	
	654	First Health Group	(NDQ)	FHCC	52	2	3	1.20	65- 95 (25- 85%)	18.2	NIL	2.86	NIL	39	9/30	.67	.57	12/31	NIL	NIL	2	CBO
246	636	First of Amer. Bank		FOA	77	–	1	1.00	50- 60 (N- N%)	22.3	1.9	3.45	1.43	31	9/30	.89	.56	3/31	.35	.313	–	PHL
	1427	First Security	(NDQ)	FSCO	38	3	3	.90	25- 35 (N- N%)	20.0	1.8	1.90	.68	58	9/30	.45	.41	12/31	.17	.153	2	ASE
	637	First Tenn National	(NDQ)	FTEN	66	3	2	.95	55- 75 (N- 15%)	20.6	2.0	3.20	1.35	31	9/30	.85	.69	3/31	▲.33	.30	3	PHL
1926	2115	First Union Corp.		FTU	51	3	2	1.15	50- 70 (N- 35%)	13.7	2.9	3.71	1.48	58	9/30	.90	.65	3/31	▲.37	.29	3	PAC
	1180	First Union Real Est.		FUR	16	3	3	.60	11- 17 (N- 5%)	44.4	2.8	.36	.44	74	9/30	.03	.06	3/31	.11	.11	3	
	2116	First Va. Banks		FVB	52	3	1	.95	40- 50 (N- N%)	19.5	2.2	2.67	1.12	58	9/30	.67	.58	3/31	▲.28	.25	3	
	638	Firstar Corp.		FSR	42	3	2	1.10	35- 50 (N- 20%)	19.7	2.1	2.13	.90	31	9/30	.52	.46	12/31	.21	.19	3	CBO
1754	712	FirstEnergy Corp.		FE	29	4	3	.75	25- 35 (N- 20%)	14.6	5.2	1.98	1.50	90	9/30	.61	.62	12/31	.375	.375	4	PAC
	2211	Fiserv Inc.	(NDQ)	FISV	50	2	3	1.10	55- 80 (10- 60%)	27.5	NIL	1.82	NIL	10	9/30	.43	.34	12/31	NIL	NIL	3	PHL
	222	Fisher Scientific		FSH	48	–	3	.70	55- 80 (15- 65%)	20.8	0.2	2.31	.08	34	9/30	.44	.56	12/31	.02	.02	–	CBO
	2117	Fleet Fin'l Group		FLT	73	3	3	1.20	65- 95 (N- 30%)	14.7	2.7	4.96	2.00	58	9/30	1.20	1.02	3/31	▲.49	.45	3	ASE
	1553	Fleetwood Enterprises		FLE	42	2	3	1.30	35- 50 (N- 20%)	18.6	1.6	2.26	.68	6	10/31	.77	.68	3/31	.17	.16	3	ASE
	1525	Fleming Cos.		FLM	14	3	4	.70	25- 40 (80-185%)	12.5	0.6	1.12	.08	47	9/30	.23	.19	12/31	.02	.02	3	PAC
	180	Florida Progress		FPC	39	4	2	.65	30- 40 (N- 5%)	14.3	5.5	2.73	2.14	85	9/30	1.05	1.01	12/31	.525	.515	4	
	896	Florida Rock	(ASE)	FRK	23	2	3	.70	25- 35 (10- 50%)	10.6	1.1	2.16	.25	8	9/30	.55	.52	3/31	.125	.125	2	
	1474	Flowers Inds.		FLO	20	3	3	.75	20- 35 (0- 75%)	23.5	2.3	.85	.45	42	9/30	.17	.10	12/31	▲.113	.101	3	PHL
	1320	Flowserve Corp.		FLS	27	–	3	NMF	40- 55 (50-105%)	13.3	2.1	2.03	.56	64	9/30	.42	NA	12/31	.14	NIL	–	
	1032	Fluke Corp.		FLK	26	4	3	.80	40- 60 (55-130%)	14.5	1.3	1.79	.35	27	10/31	.39	.36	3/31	.088	.08	3	
	858	Fluor Corp.		FLR	37	5	3	1.05	95-145 (155-290%)	11.1	2.2	3.33	.82	65	10/31	1.04	.93	3/31	▲.20	.19	5	CBO
	1511	Food Lion 'B'	(NDQ)	FDLNB	8⅜	3	3	.65	12- 17 (45-100%)	15.6	1.8	.54	.15	71	9/30	.12	.11	12/31	.033	.028	4	ASE
	104	Ford Motor		F	49	3	3	1.00	45- 65 (N- 35%)	9.4	3.7	5.22	1.80	43	9/30	.99	.56	12/31	.42	.385	3	CBO
	1255	Forest Labs	(ASE)	FRX	47	3	3	1.00	65- 95 (40-100%)	25.7	NIL	1.83	NIL	21	9/30	.37	.13	12/31	NIL	NIL	3	CBO
	1862	Forest Oil		FST	16	3	5	.75	20- 40 (25-150%)	43.2	NIL	.37	NIL	59	9/30	.02	.01	12/31	NIL	NIL	3	
	921	Fort James		FJ	37	2	3	1.05	50- 70 (35- 90%)	15.6	1.7	2.37	.63	89	9/30	.54	.49	12/31	.15	.15	2	NYS
	1358	Fortune Brands		FO	38	–	2	NMF	30- 45 (N- 20%)	25.5	2.2	1.49	.84	36	9/30	.29	NIL	12/31	▲.21	NIL	–	
	1321	Foster Wheeler		FWC	27	5	3	1.10	65- 95 (140-250%)	28.7	3.2	.94	.87	64	9/30	d.72	.59	12/31	.21	.205	3	PAC
	1214	Franco-Nevada	(TSE)	FN.TO	28 b	4	3	.55	35- 50 (25- 80%)	39.4	1.4	.71	.38	91	9/30	.19(b)	.21(b)	12/31	NIL(b)	NIL(b)	4	
	1009	Franklin Electric	(NDQ)	FELE	60	3	3	.60	55- 80 (N- 35%)	16.3	1.1	3.68	.63	75	9/30	.96	.84	12/31	.15	.12	3	
	2149	Franklin Resources		BEN	88	▼2	3	1.75	85-130 (N- 50%)	21.3	0.5	4.14	.40	13	9/30	.99	.67	3/31	▲.10	.08	2	PAC
	1652	Fred Meyer		FMY	35	2	3	.75	30- 45 (N- 30%)	23.3	NIL	1.50	NIL	14	10/31	.22	.12	12/31	NIL	NIL	2	PAC
	1167	Freddie Mac		FRE	42	2	2	1.40	40- 55 (N- 30%)	20.5	1.0	2.05	.44	16	9/30	.49	.41	12/31	.10	.088	3	ASE
390	1230	Freep't-McMoRan C&G		FCX	16	5	3	1.00	40- 55 (150-245%)	15.8	1.3	1.01	.20	94	9/30	.19	.24	3/31	▼.05	.225	5	PHL
	1908	Freeport McMoRan Res.		FRP	8¹¹⁄₁₆	5	3	.55	15- 25 (70-185%)	6.9	11.5	1.26	1.00	87	9/30	.26	.37	12/31	.10	.60	5	ASE
	610	Fremont Gen'l		FMT	55	2	3	.95	60- 80 (10- 45%)	15.9	1.1	3.47	.60	62	9/30	.85	.71	3/31	.15	.15	2	
	753	Frontier Corp.		FRO	24	3	3	1.05	25- 35 (5- 45%)	23.5	3.8	▲1.02	.90	40	9/30	.24	.45	3/31	▲.223	.218	3	CBO
1927	611	Frontier Ins. Group		FTR	23	3	3	.90	35- 55 (50-140%)	13.1	1.3	1.76	.31	62	9/30	.42	.33	3/31	.07	.065	2	
	1613	Fruit of the Loom		FTL	25	5	3	.85	30- 50 (20-100%)	30.9	NIL	.81	NIL	55	9/30	d.08	.63	12/31	NIL	NIL	5	NYS
	1562	Fuji Photo ADR(g)	(NDQ)	FUJIY	39	4	2	.70	40- 55 (5- 40%)	25.5	0.5	1.53	.20	76	9/30	.81(p)	.71(p)	12/31	.094	.094	3	
	502	Fuller (H.B.)	(NDQ)	FULL	50	4	3	.65	60- 90 (20- 80%)	16.0	1.5	3.12	.76	73	8/31	.77	.76	3/31	.185	.165	3	PHL
	503	Furon Co.		FCY	20	2	3	.70	25- 35 (25- 75%)	16.0	0.6	1.25	.12	73	10/31	.29	.22	3/31	.03	.03	1	
	1589	**G&K Services 'A'**	(NDQ)	GKSRA	41	3	3	.80	45- 65 (10- 60%)	24.8	0.2	1.65	.07	15	9/30	.36	.34	3/31	.018	.035	3	
1278	1359	GATX Corp.		GMT	72	4	3	.95	70-105 (N- 45%)	15.6	2.7	4.62	1.93	36	9/30	1.12	1.37	12/31	.46	.43	3	PHL
	181	GPU, Inc.		GPU	42	4	3	.85	40- 50 (N- 20%)	13.0	4.9	3.23	2.06	85	9/30	.94	.29	3/31	.50	.485	3	NYS
	558	GRC Int'l		GRH	5⅞	2	5	.95	11- 20 (85-240%)	13.1	NIL	.45	NIL	41	9/30	.12	.09	12/31	NIL	NIL	1	
1754	754	GTE Corp.		GTE	51	4	1	.90	55- 70 (10- 35%)	17.1	3.7	2.98	1.88	40	9/30	.79	.78	3/31	.47	.47	4	ASE
	2183	Gabelli Equity		GAB	12	4	3	.70	15- 20 (25- 65%)	NMF	1.3	NMF	.15	66	6/30	10.75(q)	10.10(q)	12/31	NIL	.002	4	
1595	612	GAINSCO, Inc.		GNA	8½	5	3	.85	12- 18 (40-110%)	14.7	0.8	.58	.07	62	9/30	.07	.15	3/31	▲.018	.015	4	
685	1635	Galey & Lord		GNL	18	4	4	.60	20- 35 (10- 95%)	12.0	NIL	1.50	NIL	26	9/30	.18	.30	12/31	NIL	NIL	3	
	1582	Gallaher Group ADR		GLH	21	–	3	NMF	30- 40 (45- 90%)	11.2	8.1	1.87	1.70	63	6/30	1.18	NIL	12/31	.804	NIL	–	
	1836	Gannett Co.		GCI	61	3	1	.90	65- 85 (5- 40%)	23.1	1.3	2.64	.77	56	9/30	.54	.40	3/31	▲.19	.18	3	PAC
	1700	Gap (The), Inc.(•)		GPS	35	1	3	1.30	35- 55 (0- 55%)	24.8	0.6	1.41	.20	12	10/31	.41	.32	12/31	.05	.05	2	CBO
	2212	Gartner Group 'A'	(NDQ)	GART	37	2	3	1.30	45- 65 (20- 75%)	41.6	NIL	.89	NIL	10	9/30	.17	.15	12/31	NIL	NIL	2	CBO
	1094	Gateway 2000		GTW	34	3	3	1.15	45- 65 (30- 90%)	24.5	NIL	1.39	NIL	7	9/30	.05	.39	12/31	NIL	NIL	2	ASE
	1796	Gaylord Entertainm. 'A'		GET	31	–	3	NMF	25- 35 (N- 15%)	35.6	1.9	.87	.60	54	9/30	.28	.21	12/31	▲.15	.10	–	CBO
	1360	GenCorp Inc.		GY	24	3	3	.90	35- 55 (45-130%)	12.9	2.5	1.86	.60	36	8/31	.44	.47	12/31	.15	.15	2	CBO
	1256	Genentech		GNE	60	–	3	NMF	85-125 (40-110%)	58.3	NIL	1.03	NIL	21	9/30	.25	.41	12/31	NIL	NIL	–	PAC
	2184	Gen'l Amer. Invest		GAM	26	3	2	.90	35- 45 (35- 75%)	NMF	0.4	NMF	.10	66	9/30	31.44(q)	26.80(q)	12/31	.20	.19	3	
	1124	Gen'l Binding	(NDQ)	GBND	30	3	3	.75	40- 60 (35-100%)	14.8	1.5	2.03	.44	18	9/30	.44	.37	12/31	.11	.11	4	

(•) All data adjusted for announced stock split or stock dividend. See back page of Ratings & Reports.
▶ New figure this week.
(b) Canadian Funds.
d Deficit.
(f) The estimate may reflect a probable increase or decrease. If a dividend boost or cut is possible but not probable, two figures are shown, the first is the more likely.
(g) Dividends subject to foreign withholding tax for U.S. residents.
(h) Est'd Earnings & Est'd Dividends after conversion to U.S. dollars at Value Line estimated translation rate.
(j) All Index data expressed in hundreds.
(p) 6 months (q) Asset Value
N=Negative figure NA=Not available NMF=No meaningful figure

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Page	Page	NAME OF STOCK	Ticker Symbol	Recent Price		Timeliness	Rank for Safety	Beta	Estimated Range of 3-5 yr. average prices 2000-2002		Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 6-30-98	(f) Est'd Div'd next 12 mos.	Industry Rank	Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Technical Rank	Where Options Trade
	1887	Rowan Cos.	RDC	30		1	4	1.15	40- 65	(35-115%)	13.0	NIL	2.31	NIL	1	9/30	.61	.26	12/31	NIL	NIL	1	ASE
	1578	Royal Bank of Canada (TSE)	RY.TO	76	b	3	2	.95	75-100	(N- 30%)	13.7	2.2	5.55	1.68	33	10/31	1.35(b)	1.09(b)	3/31	▲.42(b)	.37(b)	3	TCO
	1785	Royal Caribbean Cruises	RCL	52		3	3	.70	45- 65	(N- 25%)	21.3	1.2	2.44	.60	38	9/30	.95	.83	12/31	.15	.14	2	ASE
	420	Royal Dutch Petr.	RD	55		4	1	.80	60- 70	(10- 25%)	21.5	2.9	2.56	1.60	72	9/30	.58	.55	12/31	.643(p)	.634(p)	3	ASE
	2189	Royce Value Trust	RVT	15		3	3	.75	20- 30	(35-100%)	NMF	1.7	NMF	.26	66	6/30	16.19(q)	14.48(q)	6/30	NIL	NIL	3	
	970	Rubbermaid, Inc.	RBD	25		5	2	.85	30- 40	(20- 60%)	24.0	2.6	1.04	.64	61	9/30	.20	.31	12/31	▲.16	.15	3	PAC
	326	Ruby Tuesday	RI	26		–	3	NMF	25- 40	(N- 55%)	15.8	0.7	1.65	.18	35	8/31	.36	.31	12/31	NIL	NIL	–	
	1518	Ruddick Corp.	RDK	17		4	3	.60	17- 25	(0- 45%)	15.5	2.1	1.10	.35	71	9/30	.25	.25	3/31	.08	.08	4	
★★	1622	Russell Corp.	RML	28		▼5	3	.65	30- 45	(5- 60%)	13.3	2.0	2.10	.56	55	9/30	.64	.63	12/31	▲.14	.13	5	ASE
	327	Ryan's Family (NDQ)	RYAN	8¾		3	3	.70	15- 20	(70-130%)	10.4	NIL	.84	NIL	35	9/30	.20	.18	12/31	NIL	NIL	3	
	287	Ryder System	R	33		4	3	.95	45- 65	(35- 95%)	14.2	1.8	2.32	.60	17	9/30	.50	.42	12/31	.15	.15	3	PAC
685	1530	Rykoff-Sexton						SEE FINAL SUPPLEMENT - PAGE 685															
	880	Ryland Group	RYL	24		2	3	.90	19- 30	(N- 25%)	21.8	0.7	1.10	.16	11	9/30	.42	.25	3/31	▼.04	.15	2	PHL
	760	**SBC Communications**	SBC	74		▲3	1	.90	85-105	(15- 40%)	19.0	2.5	3.89	1.87	40	9/30	.94	.97	3/31	▲.448	.43	3	PAC
6528	1106	SCI Systems	SCI	42		1	3	1.80	45- 70	(5- 65%)	20.4	NIL	2.06	NIL	7	9/30	.53	.38	12/31	NIL	NIL	1	CBO
	2160	SLM Holding(•)	SLM	39		2	3	1.25	55- 85	(40-120%)	12.1	1.5	3.22	.59	13	9/30	.76	.51	12/31	▲.14	.125	2	CBO
	584	SPS Technologies	ST	44		2	3	.75	45- 70	(0- 60%)	16.4	NIL	2.68	NIL	25	9/30	.66	.48	12/31	NIL	NIL	3	
	118	SPX Corp.	SPW	70		2	3	.65	80-120	(15- 70%)	20.1	NIL	3.49	NIL	77	9/30	.80	.41	12/31	NIL	.10	2	NYS
1144	623	SAFECO Corp. (NDQ)	SAFC	49		5	2	.90	55- 80	(10- 65%)	14.0	2.7	3.51	1.34	62	9/30	.96	.92	3/31	.32	.29	3	NYS
	1042	Safeguard Scientifics	SFE	32		3	3	1.30	50- 75	(55-135%)	47.8	NIL	.67	NIL	27	9/30	.16	.15	12/31	NIL	NIL	2	ASE
6456	237	Safeskin Corp. (NDQ)	SFSK	55		1	3	1.05	60- 90	(10- 65%)	34.2	NIL	1.61	NIL	34	9/30	.39	.25	12/31	NIL	NIL	1	CBO
1927	364	Safety-Kleen	SK	28		–	3	.80	20- 35	(N- 25%)	23.7	1.3	1.18	.36	37	9/30	.28	.24	12/31	.09	.09	–	PHL
	1519	Safeway Inc.	SWY	62		2	3	.80	50- 75	(N- 20%)	22.5	NIL	2.76	NIL	71	9/30	.60	.44	12/31	NIL	NIL	3	CBO
	1664	Saks Holdings	SKS	21		–	3	NMF	25- 40	(20- 90%)	13.5	NIL	1.56	NIL	14	10/31	.47	.25	12/31	NIL	NIL	–	ASE
	785	Salient 3 Communic. (NDQ)	STCIA	12		–	3	.60	25- 35	(110-190%)	NMF	3.3	▼d.25	.40	5	9/30	d.20	.24	12/31	.10	.10	–	
	1623	St. John Knits	SJK	41		3	3	.80	45- 65	(10- 60%)	18.4	0.2	2.23	.10	55	10/31	.64	.50	3/31	.025	.025	3	
	728	St. Joseph Lt. & Power	SAJ	18		4	2	.50	▼19- 25	(5- 40%)	12.7	5.5	1.42	.99	90	9/30	.67	.67	12/31	.24	.235	4	
	238	St. Jude Medical	STJ	30		5	3	1.05	50- 80	(65-165%)	21.6	NIL	1.39	NIL	34	9/30	.20	.44	12/31	NIL	NIL	4	CBO
	1172	St. Paul Bancorp (NDQ)	SPBC	26		3	3	.95	25- 40	(N- 55%)	17.2	1.6	1.51	.42	16	9/30	.35	d.11	12/31	.10	.064	2	CBO
	624	St. Paul Cos.	SPC	82		3	2	.85	80-110	(N- 35%)	13.5	2.4	6.06	1.95	62	9/30	1.76	1.26	3/31	.47	.44	3	CBO
	2190	Salomon Bros. Fund	SBF	18		3	2	.95	20- 30	(10- 65%)	NMF	1.9	NMF	.35	66	6/30	19.42(q)	16.67(q)	9/30	.07	.09	3	PHL
246	1421	Salomon Inc.						SEE FINAL SUPPLEMENT - PAGE 246															
	1753	Samsonite Corp. (NDQ)	SAMC	31		2	4	.90	45- 75	(45-140%)	13.2	NIL	2.35	NIL	61	10/31	.72	.32	12/31	NIL	NIL	3	
		Santa Anita Cos.						NAME CHANGED TO MEDITRUST CORP.															
	1867	Santa Fe Energy Res.	SFR	11		–	3	NMF	15- 20	(35- 80%)	27.5	NIL	.40	NIL	59	9/30	.09	.14	12/31	NIL	NIL	–	ASE
1278	1431	Santa Fe Pac. Pipeline	SFL	45		–	3	.55	40- 60	(N- 35%)	11.3	6.9	4.00	3.10	15	9/30	1.06	.98	12/31	.75	.75	–	
	1493	Sara Lee Corp.	SLE	57		3	1	1.00	50- 60	(N- 5%)	25.1	1.6	2.27	.92	42	9/30	.44	.41	3/31	▲.23	.21	3	ASE
685	1494	Savannah Foods						SEE FINAL SUPPLEMENT - PAGE 685															
	328	Sbarro, Inc.	SBA	26		4	3	.75	40- 55	(55-110%)	13.2	4.2	1.97	1.08	35	9/30	.45	.45	3/31	.27	.23	4	ASE
	194	SCANA Corp.	SCG	30		4	1	.70	30- 35	(0- 15%)	14.6	5.2	2.06	1.55	85	9/30	.69	.66	3/31	.377	.367	5	
	1273	Scherer (R.P.)	SHR	60		3	3	.95	65- 95	(10- 60%)	22.1	NIL	2.71	NIL	21	9/30	.56	.47	12/31	NIL	NIL	3	ASE
	1274	Schering-Plough	SGP	62		2	1	1.15	55- 65	(N- 5%)	29.4	1.3	2.11	.82	21	9/30	.48	.40	12/31	.19	.165	2	PAC
	1888	Schlumberger Ltd.	SLB	79		2	1	.90	105-130	(35- 65%)	25.6	1.0	3.08	.80	1	9/30	.72	.47	3/31	.188	.188	2	CBO
	1831	Scholastic Corp. (NDQ)	SCHL	39		3	3	1.10	40- 60	(5- 55%)	27.9	NIL	1.40	NIL	68	11/30	1.59	2.36	12/31	NIL	NIL	2	CBO
	522	Schulman (A.) (NDQ)	SHLM	25		3	3	.80	25- 40	(0- 60%)	16.6	1.8	1.51	.45	73	8/31	.42	.37	12/31	.105	.095	3	PAC
	1422	Schwab (Charles)	SCH	41		1	3	2.00	30- 50	(N- 20%)	35.7	0.5	1.15	.20	3	9/30	.28	.21	12/31	▲.04	.033	2	CBO
	786	Scientific Atlanta	SFA	17		2	3	1.60	25- 40	(45-135%)	17.0	0.4	1.00	.06	5	9/30	.21	.14	12/31	.015	.015	2	PAC
	154	Scitex Corp. Ltd. (NDQ)	SCIXF	12		2	4	.90	14- 25	(15-110%)	41.4	NIL	.29	NIL	9	9/30	.05	d2.22	12/31	NIL	.13	2	ASE
	1335	Scotsman Inds.	SCT	25		5	3	.65	35- 55	(40-120%)	13.9	0.4	1.80	.10	64	9/30	.56	.54	3/31	.025	.025	4	
	971	Scotts Co. 'A'	SMG	31		3	3	.75	30- 45	(N- 45%)	21.7	NIL	1.43	NIL	61	9/30	d.32	d.40	12/31	NIL	NIL	3	PAC
	1844	Scripps (E.W.) 'A'	SSP	49		–	3	NMF	45- 65	(N- 35%)	28.2	1.1	1.74	.52	56	9/30	.34	.29	12/31	.13	.13	–	
	381	Scudder New Asia Fund	SAF	9¾		4	3	.90	25- 40	(155-310%)	NMF	0.3	NMF	.03	82	6/30	17.26(q)	16.06(q)	9/30	NIL	NIL	5	
	297	Sea Containers Ltd. 'A'	SCRA	32		2	3	.95	40- 60	(25- 90%)	13.7	2.4	2.33	.77	30	9/30	1.03	.45	12/31	.193	.192	2	
2236	1107	Seagate Technology	SEG	19		5	3	1.45	55- 80	(190-320%)	11.9	NIL	1.60	NIL	7	9/30	.08	.53	12/31	NIL	NIL	5	ASE
1280	1541	Seagram Co.	VO	32		4	2	1.05	50- 70	(55-120%)	25.6	2.1	1.25	.66	45	9/30	.37	.34	12/31	.165	.165	5	PAC
	461	Seagull Energy	SGO	20		3	3	1.00	25- 35	(25- 75%)	39.2	NIL	.51	NIL	84	9/30	.05	.12	12/31	NIL	NIL	3	PHL
6468	951	Sealed Air	SEE	63		2	3	.90	45- 70	(N- 10%)	30.4	NIL	2.07	NIL	46	9/30	.50	.40	12/31	NIL	NIL	3	PHL
1281	952	Sealright Co. (NDQ)	SRCO	12		4	3	.65	12- 17	(0- 40%)	32.4	NIL	.37	NIL	46	9/30	.12	.25	12/31	NIL	NIL	3	
	1665	Sears, Roebuck	S	45		3	3	1.00	65- 95	(45-110%)	12.6	2.0	3.57	.92	14	9/30	.76	.70	3/31	.23	.23	3	CBO
	1786	Seattle FilmWorks (NDQ)	FOTO	12		3	3	.75	13- 20	(10- 65%)	18.5	NIL	.65	NIL	38	9/30	.27	.24	12/31	NIL	NIL	3	
	1188	Security Cap. Pacific	PTR	24		4	3	.80	25- 40	(5- 65%)	22.6	5.8	1.06	1.38	74	9/30	.25	.26	3/31	.34	.325	4	
	625	Selective Ins. Group (NDQ)	SIGI	28		3	3	.60	25- 40	(N- 45%)	12.0	2.1	2.33	.59	62	9/30	.61	.41	12/31	.14	.14	3	
	1043	Sensormatic Electr.	SRM	16		3	3	.80	25- 35	(55-120%)	53.3	NIL	.30	NIL	27	9/30	.02	.03	12/31	NIL	.055	4	ASE
	1376	Sequa Corp. 'A'	SQAA	66		3	3	.60	65- 95	(N- 45%)	27.0	NIL	2.44	NIL	36	9/30	.58	.17	12/31	NIL	NIL	3	
	1108	Sequent Computer Sys.(NDQ)	SQNT	20		3	4	1.65	30- 50	(50-150%)	16.8	NIL	1.19	NIL	7	9/30	.24	.04	12/31	NIL	NIL	2	ASE
	1377	Service Corp. Int'l	SRV	37		3	3	.95	50- 75	(35-105%)	24.3	0.9	1.52	.32	36	9/30	.28	.24	3/31	.075	.06	4	PHL
	354	ServiceMaster L.P.	SVM	29		3	3	.75	25- 35	(N- 20%)	24.6	1.7	1.18	.49	15	9/30	.40	.32	3/31	.12	.113	2	PHL
	1666	Service Merchandise	SME	1 13/16		3	5	.85	6- 11	(235-510%)	18.0	NIL	.10	NIL	14	9/30	d.22	d.12	12/31	NIL	NIL	3	PHL
	683	Shared Medical Sys.	SMS	64		2	3	1.15	60- 90	(N- 40%)	25.3	1.3	2.53	.84	2	9/30	.59	.48	3/31	.21	.21	3	PAC
	840	Shaw Commun. 'B' (TSE)	SCLB.TO	16	b	3	3	.45	▲16- 25	(0- 55%)	57.1	0.4	.28	.07	53	8/31	.06(b)	d.23(b)	12/31	.035(b)	.035(b)	3	
	911	Shaw Inds.	SHX	12		4	3	1.15	18- 25	(50-110%)	14.8	2.9	.81	.35	29	9/30	.19	.18	12/31	.075	.075	5	CBO
	912	Shelby Williams	SY	16		2	3	.55	20- 30	(25- 90%)	13.6	2.0	1.18	.32	29	9/30	.29	.25	12/31	.08	.08	3	
	442	Shell Canada (TSE)	SHC.TO	26	b	3	2	.75	30- 40	(15- 55%)	22.2	2.8	1.17	.72	92	9/30	.37(b)	.20(b)	12/31	.18(b)	.15(b)	3	
	421	Shell Transport	SC	44		4	1	.80	45- 55	(0- 25%)	23.0	3.6	1.91	1.60	72	9/30	.44	.42	12/31	.639(p)	.589(p)	3	CBO
	523	Sherwin-Williams	SHW	27		4	2	1.00	35- 50	(30- 85%)	♦16.9	1.6	1.60	.44	73	9/30	.57	.51	12/31	.10	.087	4	CBO
	329	Shoney's Inc.	SHN	3⅛		4	5	.80	10- 19	(225-515%)	10.7	NIL	.29	NIL	35	10/31	.01	.25	12/31	NIL	NIL	4	PAC
	1667	Shopko Stores	SKO	22		3	3	.70	30- 40	(35- 80%)	11.8	NIL	1.87	NIL	14	11/30	.46	.34	12/31	NIL	NIL	2	PHL
	953	Shorewood Pack'g (NDQ)	SHOR	26		2	3	.70	30- 45	(15- 75%)	16.9	NIL	1.54	NIL	46	10/31	.46	.38	12/31	NIL	NIL	3	PAC
530	1815	Showboat, Inc.	SBO	29		–	4	1.30	15- 25	(N- N%)	42.0	0.3	.69	.10	24	9/30	.37	.30	3/31	.025	.025	–	CBO
	1749	Sierra Pacific Res.	SRP	37		5	3	.70	30- 45	(N- 20%)	15.0	3.6	2.47	1.32	88	9/30	.59	.72	3/31	.31	.295	4	
	729	SIGCORP Inc.	SIG	30		4	1	.70	▲25- 30	(N- 0%)	15.2	4.0	1.98	1.20	90	9/30	.84	.67	12/31	.295	.288	4	
	524	Sigma-Aldrich (NDQ)	SIAL	40		3	3	1.00	45- 65	(15- 65%)	22.7	0.7	1.76	.28	73	9/30	.42	.37	3/31	▲.07	.125	3	CBO

★★ Supplementary Report in this week's edition.
▲ Arrow indicates the direction of a change. When it appears with the Latest Dividend, the arrow signals that a change in the regular payment rate has occurred in the latest quarter.

For Timeliness, Estimated Range of 3- to 5-year average prices 2000-2002, or Estimated Earnings 12 months to 6-30-98, the arrow indicates a change since the preceding week. When a diamond ♦ (indicating a new figure) appears alongside the latest quarterly earnings results, the rank change probably was primarily caused by the earnings report. In other cases, the change is due to the dynamics of the ranking system and could simply be the result of the improvement or weakening of other stocks.

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italics to Selection & Opinion

		NAME OF STOCK	Ticker Symbol	Recent Price	Timeliness	Rank for Safety	Beta	Estimated Range of 3-5 yr. average prices 2000-2002		Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 6-30-98	(f) Est'd Div'd next 12 mos.	Industry Rank	LATEST RESULTS Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Technical Rank	Where Options Trade
	2235	Signet Banking Corp.					SEE FINAL SUPPLEMENT - PAGE 2235															
986	1109	Silicon Graphics	SGI	12	3	3	1.15	25- 35	(110-190%)	15.0	NIL	.80	NIL	7	9/30	d.20	.07	12/31	NIL	NIL	3	ASE
1755	1189	Simon DeBartolo Group	SPG	33	3	2	.75	30- 45	(N- 35%)	26.8	6.2	1.23	2.04	74	9/30	.33	.20	12/31	.505	.493	4	ASE
	826	Simpson Inds. (NDQ)	SMPS	12	3	3	.65	15- 20	(25- 65%)	12.5	3.5	.96	.42	44	9/30	.13	.19	12/31	.10	.10	3	
	155	Singer Co. N.V.	SEW	8¾	5	3	1.00	25- 40	(200-375%)	NMF	2.4	d.03	.20	9	9/30	.02	.39	3/31	.05	.05	5	ASE
	1556	Skyline Corp.	SKY	27	3	3	.90	25- 40	(N- 50%)	13.2	2.2	2.05	.60	6	11/30	.56	.56	3/31	.15	.15	3	CBO
1433	1520	Smart & Final	SMF	18	5	3	.85	25- 40	(40-120%)	15.4	1.1	1.17	.20	71	9/30	.30	.38	3/31	.05	.05	3	
	1378	Smith (A.O.)	AOS	43	–	3	.90	45- 65	(5- 50%)	18.0	1.6	2.39	.68	36	9/30	.51	.29	12/31	.17	.17	–	
	1889	Smith Int'l Inc.	SII	59	2	3	.75	70-100	(20- 70%)	20.2	NIL	2.92	NIL	1	9/30	.68	.42	12/31	NIL	NIL	1	PHL
	1495	Smithfield Foods (NDQ)	SFDS	33	2	3	1.00	30- 45	(N- 35%)	20.1	NIL	1.64	NIL	42	10/31	.39	.23	12/31	NIL	NIL	1	PHL
	1275	SmithKline Beecham	SBH	52	3	2	1.05	45- 60	(N- 15%)	36.6	1.7	1.42	.88	21	9/30	.30	.30	12/31	.21	.35	3	CBO
	1496	Smucker (J.M.) 'A'	SJMA	24	3	3	.85	30- 40	(25- 65%)	18.9	2.3	1.27	.54	42	10/31	.30	.26	12/31	.13	.13	2	
	1336	Snap-on Inc.	SNA	43	3	2	.85	55- 75	(30- 75%)	16.4	2.0	2.62	.84	64	9/30	.58	.51	12/31	▲.21	.20	4	ASE
	239	Sofamor Danek Group	SDG	67	1	3	.85	65- 95	(N- 40%)	30.2	NIL	2.22	NIL	34	9/30	.53	.42	12/31	NIL	NIL	2	CBO
	240	Sola Int'l	SOL	32	3	3	.90	50- 75	(55-135%)	15.4	NIL	2.08	NIL	34	9/30	.46	.46	12/31	NIL	NIL	2	CBO
	1044	Solectron Corp.	SLR	40	▼2	3	1.80	50- 70	(25- 75%)	23.8	NIL	1.68	NIL	27	11/30	.38	.32	12/31	NIL	NIL	1	CBO
	1243	Solutia Inc.	SOI	27	–	3	NMF	30- 40	(10- 50%)	16.8	0.1	1.61	.04	67	9/30	.44	NA	12/31	▲.01	NIL	–	CBO
2236	462	Sonat Inc.	SNT	45	5	3	.70	60- 90	(35-100%)	18.8	2.4	2.40	1.08	84	9/30	.45	.56	12/31	.27	.27	5	ASE
	954	Sonoco Products	SON	35	4	2	.75	40- 55	(15- 55%)	18.6	2.1	1.88	.72	46	9/30	.42	.41	12/31	.18	.165	3	PHL
	1571	Sony Corp. ADR(g)	SNE	90	3	3	.90	110-165	(20- 85%)	22.2	0.6	4.06	.50	76	9/30	1.02	.61	12/31	.192	.219	3	ASE
	1722	Sotheby's Holdings 'A'	BID	18	3	3	.90	20- 30	(10- 65%)	18.6	2.4	.97	.43	12	9/30	d.16	d.17	12/31	.10	.08	3	ASE
	487	South Jersey Inds.	SJI	30	4	2	.55	25- 30	(N- 0%)	17.0	4.8	1.76	1.44	86	9/30	d.42	d.36	3/31	.36	.72	4	
	1845	Southam Inc. (TSE)	STM.TO	28 b	2	3	.60	25- 35	(N- 25%)	22.0	0.7	1.27	.20	56	9/30	.26(b)	.09(b)	12/31	.05(b)	.05(b)	3	
	899	Southdown, Inc.	SDW	58	2	3	.85	55- 80	(N- 40%)	13.5	0.7	4.30	.40	8	9/30	1.34	1.15	12/31	.10	.10	2	PHL
	195	Southern Co.	SO	26	4	1	.70	25- 30	(N- 15%)	14.9	5.2	1.75	1.34	85	9/30	.71	.69	12/31	.325	.315	4	CBO
	761	Southern N.E. Telecom	SNG	49	3	1	.80	▲50- 60	(0- 20%)	15.9	3.6	3.09	1.76	40	9/30	.74	.70	3/31	.44	.44	3	NYS
	2127	SouthTrust Corp. (NDQ)	SOTR	63	3	2	1.05	50- 70	(N- 10%)	19.7	1.7	3.20	1.08	58	9/30	.78	.68	3/31	.25	.22	3	PAC
	273	Southwest Airlines	LUV	24	1	3	1.40	25- 40	(5- 65%)	16.9	0.2	1.42	.05	4	9/30	.40	.27	3/31	▲.01	.015	2	CBO
	463	Southwestern Energy	SWN	13	5	3	.80	17- 25	(30- 90%)	17.3	1.8	.75	.24	84	9/30	d.05	.01	12/31	.06	.06	5	
	488	Southwest Gas	SWX	19	3	3	.70	20- 30	(5- 60%)	21.8	4.3	.87	.82	86	9/30	d.58	d.55	12/31	.205	.205	4	
	241	SpaceLabs Medical (NDQ)	SLMD	19	4	3	.65	25- 40	(30-110%)	14.5	NIL	1.31	NIL	34	9/30	.29	.36	12/31	NIL	NIL	4	PHL
	382	Spain Fund	SNF	14	3	3	.90	20- 30	(45-115%)	NMF	1.1	NMF	.15	82	5/31	16.44(q)	11.81(q)	9/30	NIL	NIL	3	CBO
	1787	Speedway Motorsports	TRK	24	3	3	.95	25- 40	(5- 65%)	25.8	NIL	.93	NIL	38	9/30	d.02	.02	12/31	NIL	NIL	4	ASE
1278	1723	Spiegel, Inc. 'A' (NDQ)	SPGLA	4 15/16	3	5	1.40	10- 19	(105-290%)	NMF	NIL	d.13	NIL	12	9/30	d.17	d.14	12/31	NIL	NIL	3	CBO
	1724	Sports Authority	TSA	16	3	4	.75	30- 45	(90-180%)	15.2	NIL	1.05	NIL	12	10/31	.06	.06	12/31	NIL	NIL	3	ASE
	1640	Springs Inds.	SMI	52	3	3	.95	55- 85	(5- 65%)	14.4	2.5	3.62	1.32	26	9/30	1.21	1.11	3/31	.33	.66	3	
	762	Sprint Corp.	FON	58	4	3	1.05	55- 85	(N- 45%)	30.2	1.7	▼1.92	1.00	40	9/30	.49	.73	12/31	.25	.25	3	PHL
	1110	Standard Microsystems (NDQ)	SMSC	8¾	3	4	1.35	11- 18	(30-115%)	NMF	NIL	d.10	NIL	7	11/30	.02	d.10	12/31	NIL	NIL	2	ASE
	119	Standard Motor Prod.	SMP	23	3	3	.90	20- 30	(N- 30%)	16.2	1.4	1.42	.32	77	9/30	.60	.27	12/31	.08	.08	2	
	881	Standard Pacific Corp.	SPF	16	1	4	1.20	11- 18	(N- 15%)	19.8	1.0	.81	.16	11	9/30	.24	.10	12/31	▲.04	.03	2	PHL
1281	827	Standard Products	SPD	26	3	3	.80	▼30- 50	(15- 90%)	11.1	2.8	2.35	.72	44	9/30	.17	.08	3/31	.17	.17	3	
	1379	Standex Int'l	SXI	35	4	3	.65	40- 60	(15- 70%)	14.9	2.3	2.35	.79	36	9/30	.58	.56	12/31	.19	.19	3	
	1725	Stanhome Inc.	STH	25	–	2	.70	35- 45	(40- 80%)	16.3	4.5	1.53	1.12	12	9/30	.48	.64	3/31	.28	.28	–	ASE
	1337	Stanley Works	SWK	46	3	3	.95	40- 60	(N- 30%)	20.4	1.7	2.25	.80	64	9/30	.55	.42	12/31	.20	.185	3	PAC
6432	1135	Staples, Inc. (NDQ)	SPLS	28	1	3	1.50	30- 45	(5- 60%)	30.1	NIL	.93	NIL	18	10/31	.26	.19	12/31	NIL	NIL	2	PHL
	646	Star Banc Corp.	STB	58	3	2	.85	45- 60	(N- 5%)	23.7	1.5	2.45	.88	31	9/30	.58	.43	3/31	.20	.157	3	PAC
	1752	Starbucks Corp. (NDQ)	SBUX	38	2	3	1.30	45- 70	(20- 85%)	41.8	NIL	.91	NIL	35	9/30	.22	.16	12/31	NIL	NIL	2	CBO
	2128	State Street Corp.	STT	58	2	3	1.20	50- 80	(N- 40%)	23.1	0.8	2.51	.48	58	9/30	.62	.46	3/31	▲.12	.10	2	PHL
389	1816	Station Casinos	STN	10	3	5	1.10	10- 18	(0- 80%)	NMF	NIL	.07	NIL	24	9/30	.02	.24	12/31	NIL	NIL	4	ASE
	600	Steel Technologies (NDQ)	STTX	12	3	4	.95	20- 30	(65-150%)	13.6	0.8	.88	.10	83	9/30	.13	.24	12/31	.05	.05	3	
	2226	Sterling Commerce	SE	38	–	3	NMF	45- 70	(20- 85%)	32.2	NIL	1.18	NIL	10	9/30	.30	.24	12/31	NIL	NIL	–	CBO
	2227	Sterling Software	SSW	41	–	3	NMF	40- 60	(N- 45%)	19.4	NIL	2.11	NIL	10	9/30	.61	.57	12/31	NIL	NIL	–	PHL
	1338	Stewart & Stevenson (NDQ)	SSSS	25	3	3	.85	30- 50	(20-100%)	16.1	1.5	1.55	.37	64	10/31	.26	.22	3/31	.085	.085	3	PAC
	1380	Stewart Enterpr. 'A' (NDQ)	STEI	48	2	3	.80	45- 65	(N- 35%)	27.3	0.2	1.76	.11	36	10/31	.36	.30	3/31	◆.02	.02	3	CBO
	1432	Stolt-Nielsen (NDQ)	STLTF	21	3	3	.95	30- 45	(45-115%)	10.0	2.4	2.10	.50	30	8/31	.72	.67	12/31	.25	.25	3	
1435	935	Stone Container	STO	10	3	5	1.55	16- 30	(60-200%)	NMF	NIL	d.94	NIL	89	9/30	d.99	d.53	12/31	NIL	.15	2	PAC
	1111	Storage Technology	STK	61	1	4	1.30	65-105	(5- 70%)	15.6	NIL	3.91	NIL	7	9/30	.87	.65	12/31	NIL	NIL	2	CBO
1280	1112	Stratus Computer	SRA	37	3	3	1.35	60- 85	(60-130%)	10.8	NIL	3.42	NIL	7	9/30	.77	.45	12/31	NIL	NIL	2	PAC
	1677	Stride Rite Corp.	SRR	12	3	3	.50	16- 25	(35-110%)	26.7	1.7	.45	.20	78	8/31	.17	.06	12/31	.05	.05	4	PAC
	242	Stryker Corp.	SYK	38	2	3	1.35	40- 60	(5- 60%)	27.3	0.3	1.39	.10	34	9/30	.30	.25	12/31	NIL	NIL	2	PHL
	1497	Suiza Foods	SZA	61	–	3	NMF	60- 90	(N- 50%)	31.6	NIL	1.93	NIL	42	9/30	.26	.51	12/31	NIL	NIL	–	
	2129	Summit Bancorp	SUB	52	3	3	1.20	35- 50	(N- N%)	20.1	2.1	2.59	1.11	58	9/30	.62	.53	3/31	.27	.24	3	CBO
	156	Summit Technology (NDQ)	BEAM	4⅝	2	4	1.25	15- 25	(240-470%)	44.0	NIL	.10	NIL	9	9/30	NIL	.02	12/31	NIL	NIL	2	ASE
	422	Sun Company	SUN	42	2	3	.90	50- 70	(20- 65%)	12.9	2.5	3.25	1.05	72	9/30	1.14	d.26	12/31	.25	.25	2	PHL
	671	Sun Healthcare Group	SHG	19	3	4	.90	35- 55	(85-180%)	11.7	NIL	1.62	NIL	39	9/30	.41	.37	12/31	NIL	NIL	2	CBO
	1113	Sun Microsystems (NDQ)	SUNW	41	2	3	1.55	45- 65	(10- 60%)	17.8	NIL	2.30	NIL	7	9/30	.41	.31	12/31	NIL	NIL	1	PAC
	1204	SunAmerica Inc.	SAI	43	2	3	1.60	55- 75	(30- 75%)	20.5	0.9	2.10	.40	32	9/30	.53	.34	12/31	▲.10	.067	2	PHL
1434	972	Sunbeam Corp.	SOC	42	2	3	.85	45- 70	(5- 65%)	24.7	0.1	1.70	.04	61	9/30	.39	d.19	12/31	.01	.01	2	ASE
	568	Sundstrand Corp.	SNS	49	3	3	.85	55- 85	(10- 75%)	15.3	1.4	3.20	.68	41	9/30	.78	.57	12/31	.17	.17	3	NYS
6421	2228	SunGard Data Sys.	SDS	30	2	3	1.05	▲40- 60	(35-100%)	28.8	NIL	1.04	NIL	10	9/30	.26	.21	12/31	NIL	NIL	3	PHL
	672	Sunrise Asst. Living (NDQ)	SNRZ	42	–	3	NMF	50- 80	(20- 90%)	76.4	NIL	.55	NIL	39	9/30	.07	d.03	12/31	NIL	NIL	–	CBO
	243	Sunrise Medical	SMD	16	3	3	.75	25- 40	(55-150%)	16.0	NIL	1.00	NIL	34	9/30	.16	.16	12/31	NIL	NIL	3	PAC
	2130	SunTrust Banks	STI	72	3	2	1.20	60- 80	(N- 10%)	21.9	1.4	3.29	1.00	58	9/30	.80	.70	12/31	▲.25	.225	3	PAC
	828	Superior Inds. Int'l	SUP	27	3	3	.95	40- 60	(50-120%)	13.2	1.2	2.05	.32	44	9/30	.47	.40	3/31	.07	.06	3	CBO
	1531	SUPERVALU INC.	SVU	42	3	2	.90	45- 60	(5- 45%)	14.7	2.5	2.86	1.04	47	11/30	.67	.60	3/31	.26	.25	3	PHL
	288	Swift Transportation (NDQ)	SWFT	32	3	3	.75	35- 50	(10- 55%)	20.6	NIL	1.55	NIL	17	9/30	.45	.37	12/31	NIL	NIL	3	
	383	Swiss Helvetia Fund	SWZ	27	3	3	.80	30- 40	(10- 50%)	NMF	1.1	NMF	.30	82	6/30	31.00(q)	25.57(q)	9/30	NIL	NIL	3	
★★	2229	Sybase Inc. (NDQ)	SYBS	13	3	4	1.10	30- 50	(130-285%)	34.2	NIL	.38	NIL	10	9/30	.07	d.04	12/31	NIL	NIL	3	PHL
	157	Sybron Int'l	SYB	47	2	3	1.00	40- 65	(N- 40%)	25.3	NIL	1.86	NIL	9	9/30	.46	.38	12/31	NIL	NIL	2	
6433	2230	Symantec Corp. (NDQ)	SYMC	21	1	4	1.85	30- 50	(45-140%)	14.2	NIL	1.48	NIL	10	9/30	.35	.16	12/31	NIL	NIL	1	PAC
	1045	Symbol Technologies	SBL	38	2	3	1.05	50- 70	(30- 85%)	20.0	0.1	1.90	.04	27	9/30	.45	.37	12/31	.02	NIL	3	ASE
	2131	Synovus Financial	SNV	33	3	3	1.10	30- 45	(N- 35%)	32.7	1.2	1.01	.39	58	9/30	.25	.20	3/31	.09	.073	3	

(•) All data adjusted for announced stock split or stock dividend. See back page of Ratings & Reports.
◆ New figure this week.
(b) Canadian Funds.
d Deficit.

(f) The estimate may reflect a probable increase or decrease. If a dividend boost or cut is possible but not probable, two figures are shown, the first is the more likely.
(g) Dividends subject to foreign withholding tax for U.S. residents.

(h) Est'd Earnings & Est'd Dividends after conversion to U.S. dollars at Value Line estimated translation rate.
(j) All Index data expressed in hundreds.
(p) 6 months (q) Asset Value
N=Negative figure NA=Not available NMF=No meaningful figure

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italics to Selection & Opinion

Ratings Page	Page	NAME OF STOCK	Exch.	Ticker Symbol	Recent Price		Timeliness	Rank for Safety	Beta	Estimated Range of 3-5 yr. average prices 2000-2002	% Appr.	Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 6-30-98	(f) Est'd Div'd next 12 mos.	Industry Rank	Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Technical Rank	Where Options Trade
	1532	Sysco Corp.		SYY	45		3	2	.95	50- 65	(10- 45%)	23.1	1.5	1.95	.68	47	9/30	.47	.41	3/31	▲.17	.15	3	NYS
390	2231	System Software	(NDQ)	SSAX	8 9/16		2	5	1.15	19- 35	(130-325%)	14.6	NIL	.56	NIL	10	10/31	.21	d.13	12/31	NIL	NIL	1	PAC
	127	TBC Corp.	(NDQ)	TBCC	9¾		2	3	.80	14- 20	(45-105%)	10.5	NIL	.93	NIL	50	9/30	.26	.20	12/31	NIL	NIL	3	NYS
	330	TCBY Enterprises		TBY	7⅞		3	3	.65	9- 13	(15- 65%)	19.8	2.5	.40	.20	35	8/31	.18	.15	3/31	.05	.05	3	PAC
	647	TCF Financial		TCB	34		2	3	1.25	30- 45	(N- 30%)	19.3	1.7	1.76	.57	31	9/30	.43	.08	12/31	.125	.094	2	
	984	TCW Conv. Sec. Fund		CVT	9 9/16		3	2	.60	12- 16	(25- 65%)	NMF	8.8	NMF	.84	79	6/30	8.76(q)	8.56(q)	12/31	.21	.21	4	
	1572	TDK Corp. ADR(g)		TDK	76		3	3	.70	90-135	(20- 80%)	22.9	0.8	3.32	.59	76	6/30	.83	.60	12/31	.192	.228	3	
	196	TECO Energy		TE	28		5	1	.70	25- 35	(N- 25%)	16.7	4.4	1.68	1.23	85	9/30	.51	.56	12/31	.295	.28	4	PHL
	868	TJ International	(NDQ)	TJCO	25		3	3	1.10	30- 50	(20-100%)	17.5	0.9	1.43	.22	65	9/30	.45	.40	3/31	.055	.055	3	PHL
	1726	TJX Companies		TJX	33		1	3	1.35	35- 50	(5- 50%)	18.2	0.7	1.81	.24	12	10/31	.59	.45	3/31	.05	.035	2	CBO
	730	TNP Enterprises		TNP	33		3	4	.85	▲25- 40	(N- 20%)	12.8	3.3	2.58	1.10	90	9/30	.16	1.24	12/31	▲.27	.245	3	
	1381	TRW Inc.		TRW	54		3	1	1.00	80-100	(50- 85%)	13.4	2.3	4.03	1.26	36	9/30	.85	d1.11	3/31	.31	.31	4	ASE
	1136	TAB Products	(ASE)	TBP	12		2	3	.75	13- 19	(10- 60%)	13.0	1.7	.92	.20	18	11/30	.27	.24	12/31	.05	.05	3	
	384	Taiwan Fund		TWN	17		3	4	.80	35- 60	(105-255%)	NMF	0.6	NMF	.10	82	8/31	35.98(q)	22.25(q)	9/30	NIL	NIL	4	
	1727	Talbots Inc.		TLB	18		4	3	1.10	40- 60	(120-235%)	11.6	2.4	1.55	.44	12	10/31	.35	.60	12/31	.11	.09	4	PAC
	443	Talisman Energy	(TSE)	TLM.TO	44	b	4	3	.65	50- 75	(15- 70%)	73.3	NIL	.60	NIL	92	9/30	.14(b)	.17(b)	12/31	NIL(b)	NIL(b)	4	TCO
1282	158	Talley Inds.		TAL	12		–	5	1.00	11- 20	(N- 65%)	20.7	NIL	.58	NIL	9	9/30	.15	d1.08	12/31	NIL	NIL	–	
	1728	Tandy Corp.		TAN	38		2	3	1.15	40- 60	(5- 60%)	19.9	1.1	1.91	.40	12	9/30	.33	.18	3/31	.10	.10	2	CBO
	1754	Tandycrafts, Inc.								SEE FINAL SUPPLEMENT - PAGE 1754														
	244	Technical Chemicals	(NDQ)	TCPI	11		3	4	.45	40- 65	(265-490%)	NMF	NIL	d.65	NIL	34	9/30	d.14	d.06	12/31	NIL	NIL	1	
	1220	Teck Corp. 'B'	(TSE)	TEKB.TO	22	b	4	3	.75	25- 40	(15- 80%)	29.3	0.9	.75	.20	91	9/30	.17(b)	.11(b)	12/31	.10(b)	.10(b)	5	TCO
	1339	Tecumseh Products 'A'	(NDQ)	TECUA	50		5	2	.60	55- 75	(10- 50%)	11.7	3.5	4.26	1.77	64	9/30	1.00	1.24	12/31	.30	.90	5	ASE
	159	Tektronix, Inc.		TEK	39		2	3	1.20	55- 85	(40-120%)	14.7	1.2	2.65	.48	9	11/30	.63	.54	3/31	.12	.10	3	CBO
	764	Tel-Save Holdings	(NDQ)	TALK	21		2	4	.75	25- 40	(20- 90%)	29.2	NIL	.72	NIL	40	9/30	.12	.08	12/31	NIL	NIL	2	CBO
	841	Tele-Communic. 'A'	(NDQ)	TCOMA	28		3	3	1.00	▲40- 60	(45-115%)	NMF	NIL	d.58	NIL	53	9/30	d.33	d.24	12/31	NIL	NIL	1	ASE
1437	799	Tele Danmark ADR(g)		TLD	31		3	2	.50	35- 45	(15- 45%)	14.0	4.2	2.22	1.30	60	6/30	.91(p)	.88(p)	12/31	NIL	NIL	4	CBO
	800	Telecom N. Zealand ADR		NZT	39		4	3	.90	▲40- 60	(5- 55%)	16.9	6.4	2.31	2.51	60	9/30	.57	.57	12/31	◆.579	.624	3	ASE
	801	Telecom. de Chile ADR(g)		CTC	30		3	3	1.10	35- 50	(15- 65%)	16.8	2.7	1.79	.81	60	9/30	◆.57	.29	12/31	.15	.145	3	ASE
	1382	Teleflex Inc.		TFX	38		3	3	.75	50- 70	(30- 85%)	19.8	1.1	1.92	.40	36	9/30	.36	.28	12/31	.10	.088	3	PHL
	802	Telefonica Espana ADR(g)		TEF	91		3	3	.95	▲95-145	(5- 60%)	24.3	2.3	▼3.74	2.05	60	9/30	1.55	1.32	12/31	NIL	NIL	3	ASE
	803	Telefonos de Mexico ADR		TMX	56		3	3	1.40	65-100	(15- 80%)	13.3	1.6	4.22	.87	60	9/30	◆1.01	1.05	9/30	.451	NIL	3	CBO
532	763	Telephone & Data	(ASE)	TDS	47		4	3	.80	55- 80	(15- 70%)	NMF	0.9	.49	.42	40	9/30	NIL	.31	12/31	.105	.10	3	PAC
	787	Tellabs, Inc.	(NDQ)	TLAB	54		2	3	1.40	55- 80	(0- 50%)	37.0	NIL	1.46	NIL	5	9/30	.34	.25	12/31	NIL	NIL	2	PAC
	1046	Telxon	(NDQ)	TLXN	24		2	4	.95	30- 50	(25-110%)	24.5	NIL	.98	.01	27	9/30	.15	d.29	12/31	NIL	NIL	2	CBO
	936	Temple-Inland		TIN	52		5	3	.95	45- 70	(N- 35%)	25.4	2.6	2.05	1.37	89	9/30	.22	.59	12/31	.32	.32	4	ASE
	385	Templeton Emerg'g		EMF	17		4	4	1.25	30- 50	(75-195%)	NMF	1.8	NMF	.30	82	8/31	20.67(q)	17.26(q)	9/30	.31	NIL	3	ASE
	673	Tenet Healthcare		THC	32		3	3	1.00	35- 55	(10- 70%)	18.3	NIL	1.75	NIL	39	8/31	.38	.32	12/31	NIL	NIL	3	ASE
	1340	Tennant Co.	(NDQ)	TANT	36		3	3	.40	40- 60	(10- 65%)	14.4	2.0	2.50	.72	64	9/30	.60	.50	12/31	.18	.18	3	
389	120	Tenneco, Inc.		TEN	39		–	3	NMF	60- 90	(55-130%)	14.6	3.1	2.68	1.20	77	9/30	.62	.45	12/31	.30	NIL	–	ASE
	1078	Teradyne Inc.		TER	32		2	3	1.55	50- 70	(55-120%)	14.9	NIL	2.15	NIL	23	9/30	.45	.23	12/31	NIL	NIL	1	PAC
	1921	Terra Inds.		TRA	13		4	3	.70	13- 19	(0- 45%)	11.8	1.5	1.10	.20	87	9/30	.20	.32	12/31	▲.05	.04	5	CBO
	423	Tesoro Petroleum		TSO	16		3	4	.90	17- 30	(5- 90%)	13.2	NIL	1.21	NIL	72	9/30	.30	.41	12/31	NIL	NIL	2	PHL
	424	Texaco Inc.		TX	54		3	1	.65	60- 70	(10- 30%)	15.8	3.3	3.41	1.80	72	9/30	.91	.79	12/31	.45	.425	4	ASE
	900	Texas Inds.		TXI	45		1	3	.80	45- 70	(0- 55%)	10.8	0.7	4.15	.30	8	11/30	1.07	.79	12/31	.075	.05	2	
	1069	Texas Instruments		TXN	44		3	3	1.50	60- 85	(35- 95%)	18.3	0.9	2.41	.40	28	9/30	.60	.04	3/31	.085	.085	2	CBO
	731	Texas Utilities		TXU	41		4	3	.75	▲30- 50	(N- 20%)	14.3	5.4	2.87	2.21	90	9/30	1.24	1.59	3/31	▲.55	.525	4	PAC
	1383	Textron, Inc.		TXT	62		3	2	.95	80-105	(30- 70%)	17.7	1.8	3.50	1.09	36	9/30	.81	.70	3/31	.25	.22	3	PHL
	386	Thai Fund		TTF	5¼		4	4	.95	20- 30	(275-465%)	NMF	3.8	NMF	.20	82	6/30	10.71(q)	24.62(q)	9/30	.063	NIL	5	
	1384	Thermedics Inc.	(ASE)	TMD	17		3	3	1.05	25- 40	(45-135%)	23.0	NIL	.74	NIL	36	9/30	.17	.15	12/31	NIL	NIL	4	ASE
	1385	Thermo Electron		TMO	44		2	3	1.25	55- 85	(25- 95%)	27.2	NIL	1.62	NIL	36	9/30	.41	.32	12/31	NIL	NIL	3	NYS
	1386	Thermo Fibertek	(ASE)	TFT	12		3	3	1.05	20- 30	(65-150%)	28.6	NIL	.42	NIL	36	9/30	.06	.07	12/31	NIL	NIL	3	PHL
	1387	Thermo Instrument	(ASE)	THI	34		2	3	1.20	40- 55	(20- 60%)	28.6	NIL	1.19	NIL	36	9/30	.28	.23	12/31	NIL	NIL	3	ASE
1279	569	Thiokol Corp.		TKC	82		2	3	.85	80-120	(N- 45%)	13.8	1.0	5.95	.80	41	9/30	1.40	.64	12/31	▲.20	.17	2	PHL
	1020	Thomas & Betts		TNB	47		3	2	.80	60- 80	(30- 70%)	15.9	2.4	2.95	1.12	75	9/30	.73	.63	3/31	.28	.28	3	ASE
	869	Thomas Inds.(•)		TII	20		3	3	.90	25- 40	(25-100%)	14.0	1.5	1.43	.30	65	9/30	.43	.37	3/31	▲.075	.067	3	
	1846	Thomson Corp.	(TSE)	TOC.TO	39		3	3	.80	35- 55	(N- 40%)	41.5	2.2	.94	.87	56	9/30	.56	.40	12/31	▲.155	.145	3	
	1557	Thor Inds.		THO	34		2	3	.80	35- 50	(5- 45%)	13.6	0.4	2.50	.12	6	10/31	.74	.59	3/31	.03	.03	3	
288	1114	3Com Corp.	(NDQ)	COMS	36		3	3	1.65	80-120	(120-235%)	36.0	NIL	1.00	NIL	7	11/30	.04	.60	12/31	NIL	NIL	2	PAC
	765	360 (Degrees) Communic.		XO	20		–	4	NMF	▼25- 45	(25-125%)	25.6	NIL	.78	NIL	40	9/30	.24	.20	12/31	NIL	NIL	–	NYS
1278	1890	Tidewater Inc.		TDW	53		1	4	.95	90-150	(70-185%)	12.4	1.2	4.27	.65	1	9/30	1.05	.53	12/31	.15	.15	3	NYS
	1729	Tiffany & Co.		TIF	36		3	3	1.25	40- 65	(10- 80%)	17.0	0.8	2.12	.28	12	10/31	.32	.26	3/31	.07	.05	3	PHL
1242	1678	Timberland Co. 'A'		TBL	59		2	4	1.25	95-160	(60-170%)	12.5	NIL	4.73	NIL	78	9/30	2.11	1.51	12/31	NIL	NIL	1	
	1847	Times Mirror Co.		TMC	61		3	3	.80	70- 95	(15- 55%)	24.6	1.0	2.48	.61	56	9/30	.62	.43	12/31	.15	.10	4	NYS
	1798	Time Warner		TWX	62		3	3	1.20	65-100	(5- 60%)	NMF	0.6	d.36	.39	54	9/30	d.19	d.43	12/31	.09	.09	3	PHL
	585	Timken Co.		TKR	34		3	3	.95	40- 60	(20- 75%)	12.5	2.1	2.73	.70	25	9/30	.60	.51	12/31	.165	.15	2	NYS
	1047	Titan Corp		TTN	6		2	5	1.15	10- 20	(65-235%)	18.2	NIL	.33	NIL	27	9/30	.08	d.14	12/31	NIL	NIL	1	
	160	Tokheim Corp.		TOK	20		2	4	1.10	20- 35	(0- 75%)	25.6	NIL	.78	NIL	9	8/31	d.03	d.06	12/31	NIL	NIL	1	
	882	Toll Brothers		TOL	27		3	3	1.40	25- 40	(N- 50%)	13.1	NIL	2.06	NIL	11	10/31	.66	.61	12/31	NIL	NIL	3	PHL
	1624	Tommy Hilfiger		TOM	35		3	3	1.20	70-105	(100-200%)	11.9	NIL	2.94	NIL	55	9/30	.84	.63	12/31	NIL	NIL	5	CBO
	1498	Tootsie Roll Ind.		TR	64		3	2	.60	55- 70	(N- 10%)	25.0	0.5	2.56	.33	42	9/30	1.05	.81	3/31	.083	.07	3	
	1205	Torchmark Corp.		TMK	42		3	2	1.15	40- 55	(N- 30%)	15.3	1.5	2.74	.61	32	9/30	.67	.57	3/31	.15	.145	3	ASE
	133	Toro Co.		TTC	42		3	3	.65	55- 85	(30-100%)	12.5	1.1	3.35	.48	48	10/31	.40	.38	3/31	.12	.12	3	
	1579	Toronto-Dominion	(TSE)	TD.TO	54	b	2	2	1.00	50- 65	(N- 20%)	13.8	2.4	3.91	1.28	33	10/31	.95(b)	.81(b)	3/31	▲.32(b)	.28(b)	3	TCO
	425	Tosco Corp.		TOS	37		2	3	.90	45- 70	(20- 90%)	16.2	0.6	2.29	.24	72	9/30	.61	.32	3/31	.06	.117	3	ASE
	426	TOTAL S.A. ADR		TOT	54		3	3	.80	60- 90	(10- 65%)	18.8	2.8	2.87	1.50	72	6/30	1.43(p)	1.04(p)	12/31	NIL	NIL	3	ASE
	2161	Total System Svcs.		TSS	25		3	3	.80	30- 40	(20- 60%)	59.5	0.2	.42	.06	13	9/30	.10	.09	3/31	.011	.011	4	PHL
	110	Toyota Motor ADR(g)	(NDQ)	TOYOY	58		3	2	.65	90-120	(55-105%)	27.0	0.9	2.15	.50	43	3/31	1.07(p)	1.04(p)	12/31	.156	.158	3	
	1730	Toys 'R' Us		TOY	30		3	3	1.05	45- 65	(50-115%)	15.1	NIL	1.99	NIL	12	10/31	.16	.12	12/31	NIL	NIL	3	CBO
	444	TransAlta Corp.	(TSE)	TA.TO	23	b	3	2	.75	25- 30	(10- 30%)	13.8	4.3	1.67	.98	92	9/30	.37(b)	.31(b)	3/31	.245(b)	.245(b)	4	TCO
	2162	Transamerica		TA	108		4	2	.95	125-165	(15- 55%)	14.8	1.9	7.31	2.00	13	9/30	1.62	1.67	3/31	.50	.50	3	PHL
	626	Transatlantic Hldgs.		TRH	72		3	2	.80	75-115	(5- 60%)	13.9	0.6	5.19	.43	62	9/30	1.39	1.15	3/31	.10	.09	3	
	445	TransCanada Pipe.		TRP	22		5	2	.75	25- 30	(15- 35%)	16.8	4.0	1.31	.87	92	9/30	.32	.34	3/31	▲.217	.21	4	NYS

★★ Supplementary Report in this week's edition.
▲ Arrow indicates the direction of a change. When it appears with the Latest Dividend, the arrow signals that a change in the regular payment rate has occurred in the latest quarter, For Timeliness, Estimated Range of 3- to 5-year average prices 2000-2002, or Estimated Earnings 12 months to 6-30-98, the arrow indicates a change since the preceding week. When a diamond ◆ (indicating a new figure) appears alongside the latest quarterly earnings results, the rank change probably was primarily caused by the earnings report. In other cases, the change is due to the dynamics of the ranking system and could simply be the result of the improvement or weakening of other stocks.

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Bold type refers to Ratings and Reports; *italics to Selection & Opinion*

Selection & Opinion	Ratings & Reports	NAME OF STOCK	Ticker Symbol	Recent Price	Timeliness	Rank for Safety	Beta	Estimated Range of 3-5 yr. average prices 2000-2002		Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 6-30-98	(f) Est'd Div'd next 12 mos.	Industry Rank	Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Technical Rank	Where Options Trade
	1891	Transocean Offshore	RIG	45	2	3	.75	80-115	(80-155%)	20.8	0.3	2.16	.13	1	9/30	.39	.31	12/31	.03	.03	1	ASE
	586	TransTechnology	TT	28	3	3	.80	30- 45	(5- 60%)	12.8	0.9	2.19	.26	25	9/30	.45	.35	12/31	.065	.065	3	
1143	**2163**	Travelers Group	TRV	54	2	3	1.85	55- 85	(0- 55%)	17.1	0.9	3.15	.46	13	9/30	.75	.55	12/31	.10	.075	2	PHL
	2191	Tri-Continental	TY	27	3	2	.95	40- 55	(50-105%)	NMF	2.8	NMF	.75	66	6/30	33.30(q)	29.57(q)	9/30	.30	.17	3	PHL
	1548	Triarc Cos. 'A'	TRY	27	▲2	4	1.05	20- 35	(N- 30%)	38.6	NIL	.70	NIL	52	9/30	.35	1.50	12/31	NIL	NIL	2	ASE
	1848	Tribune Co.	TRB	61	3	2	1.05	60- 80	(N- 30%)	24.0	1.0	2.54	.64	56	9/30	.60	.50	12/31	.16	.15	3	CBO
	331	TRICON Global Rest's	YUM	29	–	3	NMF	40- 50	(40- 70%)	19.9	NIL	1.46	NIL	35	9/30	.56	NA	12/31	NIL	NIL	–	
390	**1341**	TriMas Corp.	TMS	34	–	3	.80	35- 55	(5- 60%)	18.4	0.9	1.85	.30	64	9/30	.42	.37	3/31	.07	.06	–	PHL
	587	Trinity Inds.	TRN	45	1	3	1.25	55- 80	(20- 80%)	13.2	1.6	3.41	.70	25	9/30	.84	.72	3/31	.17	.17	2	ASE
	1868	Triton Energy	OIL	30	4	3	.85	55- 90	(85-200%)	NMF	NIL	.18	NIL	59	9/30	d.04	.23	12/31	NIL	NIL	4	PHL
	529	Trizec Hahn	TZH	23	–	3	NMF	25- 40	(10- 75%)	NMF	1.2	.25	.27	74	9/30	d.02	NIL	12/31	NIL	NIL	–	NYS
★★	**1855**	True North	TNO	25	–	3	.70	30- 40	(20- 60%)	18.4	2.4	1.36	.60	19	9/30	.28	.26	3/31	.15	.15	–	
	1115	Tseng Labs. (NDQ)	TSNG	1⅜	3	4	1.55	NMF	(NMF)	NMF	NIL	NMF	NIL	7	6/30	d.09	d.06	12/31	NIL	NIL	3	ASE
	1750	Tucson Elec. Pwr.	TEP	18	3	5	.90	14- 25	(N- 40%)	9.4	NIL	1.91	NIL	88	9/30	1.35	3.19	12/31	NIL	NIL	3	ASE
	1625	Tultex Corp.	TTX	3¹⁵⁄₁₆	5	4	.75	9- 14	(130-260%)	11.8	NIL	.33	NIL	55	9/30	.23	.43	12/31	NIL	NIL	5	
	627	20th Century Inds.	TW	26	3	3	.80	25- 40	(N- 55%)	14.4	1.5	1.81	.40	62	9/30	.46	.33	12/31	▲.10	.05	2	CBO
	1388	Tyco Int'l Ltd.	TYC	44	2	3	1.20	40- 60	(N- 35%)	25.3	0.2	1.74	.10	36	6/30	.41	.31	3/31	.025	.025	2	PHL
	1499	Tyson Foods 'A'	TSN	20	4	3	.70	20- 35	(0- 75%)	18.0	0.6	1.11	.12	42	9/30	.22	.07	3/31	.025	.025	3	PAC
	274	UAL Corp.	UAL	92	2	3	1.20	95-140	(5- 50%)	12.6	NIL	7.32	NIL	4	9/30	3.75	3.85	12/31	NIL	NIL	3	CBO
	489	UGI Corp.	UGI	30	3	3	.65	25- 40	(N- 35%)	19.4	4.8	1.55	1.45	86	9/30	d.34	[illegible]	3/31	.36	.355	4	
	1206	UNUM Corp.	UNM	54	3	2	1.05	50- 70	(N- 30%)	20.0	1.2	2.70	.63	32	9/30	.66	.30	12/31	.143	.138	3	ASE
	365	USA Waste Service	UW	38	3	3	.70	50- 80	(30-110%)	19.8	NIL	1.92	NIL	37	9/30	.47	.32	12/31	NIL	NIL	3	CBO
	628	USF&G Corp.	FG	22	4	3	1.00	25- 35	(15- 60%)	13.8	1.3	1.59	.28	62	9/30	.40	.26	3/31	.07	.05	3	PHL
	870	USG Corp.	USG	49	2	4	1.20	45- 70	(N- 45%)	8.6	NIL	5.73	NIL	65	9/30	1.57	1.15	12/31	NIL	NIL	3	NYS
	1586	UST Inc.	UST	36	4	2	.90	35- 45	(N- 25%)	15.3	4.5	2.36	1.62	63	9/30	.62	.65	12/31	.405	.37	4	CBO
	427	USX-Marathon Group	MRO	33	3	3	.80	40- 60	(20- 80%)	15.1	2.4	2.18	.80	72	9/30	.58	.36	12/31	.19	.19	3	ASE
	1402	USX-U.S. Steel Group	X	29	2	3	1.00	50- 70	(70-140%)	6.1	4.0	4.78	1.15	81	9/30	1.32	.76	12/31	.25	.25	3	ASE
	428	Ultramar Diamond	UDS	31	–	3	NMF	35- 50	(15- 60%)	12.4	3.5	2.50	1.10	72	9/30	.72	.12	12/31	.275	.275	–	
	732	Unicom Corp.	UCM	30	3	3	.75	▲25- 35	(N- 15%)	13.8	5.3	2.17	1.60	90	9/30	1.23	1.55	3/31	.40	.40	3	CBO
	1641	Unifi, Inc.	UFI	41	3	3	.75	40- 65	(N- 60%)	19.5	1.4	2.10	.56	26	9/30	.45	.37	12/31	▲.14	.11	3	CBO
	355	UniFirst Corp.	UNF	28	2	3	.90	30- 45	(5- 60%)	18.1	0.5	1.55	.14	15	8/31	.39	.31	3/31	.03	.03	3	
	2235	Uniforce						SEE FINAL SUPPLEMENT - PAGE 2235														
	1500	Unilever NV (NY Shs)(g)	UN	63	4	1	.75	55- 65	(N- 5%)	24.0	1.7	2.63	1.10	42	9/30	.74	.76	12/31	.385	.329	3	ASE
	1501	Unilever PLC ADR(g)	UL	34	4	1	.75	30- 40	(N- 20%)	21.5	2.0	1.58	.68	42	9/30	.46	.46	12/31	.233	.212	3	
1143	**937**	Union Camp	UCC	54	3	2	.90	45- 65	(N- 20%)	33.5	3.3	1.61	1.80	89	9/30	.40	.21	12/31	.45	.45	3	CBO
	1244	Union Carbide	UK	43	3	3	1.15	60- 90	(40-110%)	10.0	2.1	4.29	.90	67	9/30	1.18	1.08	12/31	▲.225	.187	4	ASE
	733	Union Electric	UEP	43	5	1	.70	35- 45	(N- 5%)	14.1	5.9	3.05	2.55	90	9/30	1.78	1.78	12/31	.635	.635	4	
	305	Union Pacific	UNP	63	–	3	NMF	80-120	(25- 90%)	23.7	2.7	2.66	1.72	49	9/30	1.00	1.00	3/31	.43	.43	–	PHL
1756	**464**	Union Pacific Res.	UPR	23	3	3	.50	30- 45	(30- 95%)	17.3	0.9	1.33	.20	84	9/30	.27	.30	3/31	.05	.05	4	CBO
	2132	Union Planters	UPC	67	3	3	.90	45- 65	(N- N%)	18.5	2.5	3.62	1.68	58	9/30	.90	.38	12/31	.40	.27	3	PHL
	1869	Union Texas Petr.	UTH	21	3	3	.80	30- 50	(45-140%)	18.9	1.0	1.11	.20	59	9/30	.23	.39	12/31	.05	.05	3	PHL
	1116	Unisys Corp.	UIS	13	2	5	1.10	20- 35	(55-170%)	20.6	NIL	.63	NIL	7	9/30	.13	d.09	12/31	NIL	NIL	1	ASE
	2164	United Asset Mgmt.	UAM	25	5	3	1.10	35- 55	(40-120%)	18.2	3.2	1.37	.80	13	9/30	.32	.32	3/31	.20	.17	4	PAC
	1342	United Dominion Ind. (TSE)	UDI.TO	35 b	3	3	.80	45- 70	(30-100%)	17.1	0.8	2.05	.28	64	9/30	.60	.58	12/31	.07	.05	4	
	1190	United Dominion R'lty	UDR	14	3	3	.65	20- 30	(45-115%)	17.9	7.4	.78	1.04	74	9/30	.20	.13	12/31	.253	.24	5	
	674	United HealthCare	UNH	49	2	3	1.60	85-125	(75-155%)	22.9	0.1	2.14	.03	39	9/30	.57	.45	12/31	NIL	NIL	3	CBO
	197	United Illuminating	UIL	45	3	4	.70	30- 45	(N- 0%)	13.0	6.4	3.45	2.88	85	9/30	1.68	1.27	3/31	.72	.72	3	
	570	United Industrial Corp.	UIC	11	2	3	.70	10- 14	(N- 25%)	17.5	2.9	.63	.32	41	9/30	.17	.01	12/31	▲.08	.05	2	
	387	United Kingdom Fund	UKM	14	4	3	.90	25- 40	(80-185%)	NMF	2.9	NMF	.40	82	9/30	16.45(q)	15.91(q)	9/30	.40	.21	5	
	648	U.S. Bancorp	USB	112	3	3	1.10	105-155	(N- 40%)	27.0	1.8	4.15	2.00	31	9/30	d.20	.99	12/31	.465	.412	3	ASE
532	**766**	U.S. Cellular (ASE)	USM	32	–	3	.75	50- 70	(55-120%)	23.5	NIL	1.36	NIL	40	9/30	.37	.28	12/31	NIL	NIL	–	
	366	U.S. Filter	USF	30	2	3	1.25	50- 75	(65-150%)	23.1	NIL	1.30	NIL	37	9/30	.29	.13	12/31	NIL	NIL	3	CBO
	1137	U.S. Office Products (NDQ)	OFIS	18	1	4	2.05	35- 60	(95-235%)	15.4	NIL	1.17	NIL	18	10/31	.29	.23	12/31	NIL	NIL	2	CBO
	245	U.S. Surgical	USS	29	3	4	1.15	35- 60	(20-105%)	17.4	0.6	1.67	.16	34	9/30	.43	.39	12/31	.04	.02	4	ASE
	2133	U.S. Trust (NDQ)	USTC	64	2	3	.90	45- 70	(N- 10%)	25.4	1.0	2.52	.64	58	9/30	.61	.48	3/31	.15	.125	3	
1434	**767**	U S West Communic.	USW	45	3	2	.75	40- 55	(N- 20%)	17.2	4.8	2.62	2.14	40	9/30	.66	.59	12/31	.535	.535	3	ASE
1434	**768**	U S West Media Group	UMG	28	3	3	1.10	▲30- 45	(5- 60%)	NMF	NIL	d.85	NIL	40	9/30	d.26	.04	12/31	NIL	NIL	3	
	1138	United Stationers (NDQ)	USTR	49	1	4	.95	40- 75	(N- 55%)	16.3	NIL	3.00	NIL	18	9/30	.74	.56	12/31	NIL	NIL	1	
	1389	United Technologies	UTX	72	3	1	1.15	105-125	(45- 75%)	16.7	1.7	4.32	1.24	36	9/30	1.16	.97	12/31	.31	.275	4	CBO
	1409	United Water Res.	UWR	20	4	3	.55	15- 25	(N- 25%)	18.3	4.6	1.09	.92	80	9/30	.47	.49	12/31	.23	.23	4	
990	**2179**	Unitrin, Inc. (NDQ)	UNIT	63	4	2	.80	70- 95	(10- 50%)	15.9	4.0	3.97	2.50	57	9/30	.99	1.02	12/31	.60	.55	3	CBO
	1070	Unitrode Corp.	UTR	17	2	3	1.25	30- 50	(75-195%)	15.5	NIL	1.10	NIL	28	10/31	.35	.21	12/31	NIL	NIL	1	PHL
1436	**1587**	Universal Corp.	UVV	41	2	3	.80	45- 70	(10- 70%)	11.7	2.9	3.50	1.17	63	9/30	.93	.57	3/31	▲.28	.265	3	
	1502	Universal Foods	UFC	42	3	2	.80	40- 55	(N- 30%)	15.6	2.5	2.70	1.07	42	9/30	.72	.67	12/31	▲.265	.26	3	PHL
	675	Universal Health Sv. 'B'	UHS	50	2	3	.85	45- 65	(N- 30%)	24.3	NIL	2.06	NIL	39	9/30	.42	.34	12/31	NIL	NIL	3	PHL
	429	Unocal Corp.	UCL	39	4	3	.90	40- 65	(5- 65%)	18.4	2.1	2.12	.80	72	9/30	.38	.54	3/31	.20	.20	4	PAC
	275	US Airways Group	U	60	2	5	1.20	50- 90	(N- 50%)	13.1	NIL	4.58	NIL	4	9/30	1.14	.60	12/31	NIL	NIL	1	PAC
	289	USFreightways (NDQ)	USFC	32	2	3	.85	35- 55	(10- 70%)	13.8	1.2	2.32	.37	17	9/30	.67	.49	12/31	.093	.093	3	NYS
	734	UtiliCorp United	UCU	39	3	3	.65	30- 45	(N- 15%)	16.7	4.6	2.34	1.80	90	9/30	.46	.44	12/31	.44	.44	3	PHL
	1626	V.F. Corp.	VFC	46	3	2	.85	45- 60	(N- 30%)	16.4	1.7	2.80	.80	55	9/30	.86	.71	12/31	▲.20	.19	3	NYS
248	**1071**	VLSI Technology (NDQ)	VLSI	22	3	4	1.40	55- 95	(150-330%)	11.2	NIL	1.97	NIL	28	9/30	.42	.17	12/31	NIL	NIL	1	ASE
	161	VWR Scientific (NDQ)	VWRX	28	1	4	.75	25- 45	(N- 60%)	23.0	NIL	1.22	NIL	9	9/30	.37	.21	12/31	NIL	NIL	2	
	430	Valero Energy	VLO	31	–	3	NMF	45- 65	(45-110%)	12.9	1.1	2.40	.33	72	9/30	.93	.23	12/31	.08	.13	–	ASE
	1390	Valmont Inds. (NDQ)	VALM	20	3	3	.70	25- 35	(25- 75%)	14.5	1.2	1.38	.23	36	9/30	.28	.24	3/31	▲.056	.05	4	
	525	Valspar Corp.	VAL	32	3	2	.65	35- 45	(10- 40%)	19.6	1.3	1.63	.42	73	10/31	.46	.39	3/31	▲.105	.09	4	
	985	Van Kempen Am Cap Bond	ACB	21	4	2	.50	25- 35	(20- 65%)	NMF	7.3	NMF	1.54	79	6/30	20.26(q)	19.97(q)	12/31	.385	.385	4	
	769	Vanguard Cellular Sys. (NDQ)	VCELA	13	3	4	1.00	16- 25	(25- 90%)	NMF	NIL	▼.06	NIL	40	9/30	.03	.07	12/31	NIL	NIL	2	CBO
6516	**1892**	Varco Int'l	VRC	20	1	4	1.10	30- 50	(50-150%)	21.7	NIL	.92	NIL	1	9/30	.21	.11	12/31	NIL	NIL	1	ASE
	1048	Varian Associates	VAR	50	3	3	1.20	75-110	(50-120%)	15.1	0.7	3.31	.36	27	9/30	1.06	.92	3/31	.09	.08	3	ASE
	1391	Varlen Corp. (NDQ)	VRLN	25	1	3	.65	25- 35	(0- 40%)	13.4	1.1	1.86	.28	36	10/31	.52	.35	3/31	.06	.06	1	
	1870	Vastar Resources	VRI	35	3	3	.80	45- 70	(30-100%)	13.7	0.9	2.55	.30	59	9/30	.54	.43	12/31	.075	.075	3	
	676	Vencor, Inc.	VC	24	5	3	.85	45- 70	(90-190%)	13.6	NIL	1.77	NIL	39	9/30	.52	.48	12/31	NIL	NIL	3	PHL

(•) All data adjusted for announced stock split or stock dividend. See back page of Ratings & Reports.
♦ New figure this week.
(b) Canadian Funds.
d Deficit.

(f) The estimate may reflect a probable increase or decrease. If a dividend boost or cut is possible but not probable, two figures are shown, the first is the more likely.
(g) Dividends subject to foreign withholding tax for U.S. residents.

(h) Est'd Earnings & Est'd Dividends after conversion to U.S. dollars at Value Line estimated translation rate.
(j) All Index data expressed in hundreds.
(p) 6 months (q) Asset Value
N=Negative figure NA=Not available NMF=No meaningful figure

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FOOTNOTES: 1, 2, & 4

meet the public's demand for communication services, the Federal Communications Commission (FCC) has turned to auctioning off portions of the electromagnetic spectrum. These auctions not only have been enormously successful in getting licenses quickly into the hands of those who can use them most efficiently, but have raised over $20 billion for the U.S. Treasury in the process. A second success story has been the use of market forces to provide greater flexibility in meeting environmental goals (e.g., tradable permits for sulfur dioxide emissions). Last but not least, market forces can help improve the management, use, and disposal of public lands.

[illegible] The Benefits of Deregulation

That deregulation produces economic benefits when it leads to effective competition is not merely a theoretical proposition. Data from the field bear this assertion out as well. An assessment by a [illegible] finds that deregulation not only has brought considerable short-run benefits by making markets work better, [illegible] technical and operational innovations [illegible] even greater benefits in the long run. The table below [illegible] examples of this study's findings.

[illegible]

Cooperation with logistics firms

[illegible]

MARKETS, GOVERNMENTS, AND COMPLEMENTARITY

As a prelude to discussing the potential for complementarity between private markets and the public sector, we review the purposes each serves in a primarily market-driven economy.

THE ADVANTAGES OF MARKETS

The argument in favor of deferring to markets typically relies on the efficiency of their outcomes. If markets are competitive and function smoothly, they will lead to prices at which the amount sellers want to supply equals the amount buyers demand. Moreover, the price in any market will simultaneously equal the benefit that buyers get from the last unit consumed (the marginal benefit) and the cost of producing the last unit supplied (the marginal cost). These two conditions ensure efficiency: when they hold in all markets, the Nation's labor and resources are allocated to producing a particular good or service if and only if consumers would not be willing to pay more to have those resources employed elsewhere.

This familiar story is profound and important, yet it understates the role of private markets in making economies work. Since at least the 1930s, economists have noted that in theory the government could reach efficient outcomes without relying on markets, if government officials had sufficient information and the right incentives. But it is markets' superior information-processing ability and preservation of individual incentives that explain their general superiority to government management of the economy. Markets allow transactions to be decentralized to the level where decisions are made by those most affected by them, in direct response to budget constraints and tradeoffs. Market participants themselves then have powerful incentives to generate and gather information and make the deals that best serve their interests.

Information

An insufficiently appreciated property of markets is their ability to collect and distribute information on costs and benefits in a way that enables buyers and sellers to make effective, responsive decisions. Because market prices measure the marginal benefits of goods and services to consumers, firms that maximize their profits simultaneously maximize the difference between benefits and costs. Similarly, consumers look to market prices to decide which goods and services to purchase, and how to use their labor, resources, and financial wealth to generate the income to pay for them. As tastes, technology, and resource availability change, market prices will change in corresponding ways, to direct resources to the newly valued ends and away from obsolete means. It is simply impossible for governments to duplicate and utilize the massive amount of information exchanged and acted upon daily by the millions of participants in the marketplace.

That markets normally process all of this information so well and so rapidly tends to be taken for granted. In light of all the investments, hires, plans, purchases, marketing efforts, sales, contracts, and exchanges necessary to bring goods to market, the fact that the price system normally works as well as it does—for instance, that

TABLE 6–1.—*The Interconnection Debate*

Entry method	Entrant side	Incumbent side	FCC policy (absent a negotiated agreement between the parties)
Facility-based total service providers	Incumbent would preserve monopoly by refusing to interconnect.	Act left interconnection to bilateral negotiation; FCC intervention will give too little weight to local market considerations.	Set basic rules for interconnection between existing local telephone companies and new end-to-end providers.
Purchase of "network elements"	Incumbent would offer too few elements at too high a price.	Entrants demand inefficient slicing of network; rates based on forward-looking costs will not provide enough revenue to pay for past investments.	Determine the "network elements" (loops, switches, other components) incumbent carriers should make available; specify cost-based methods for setting their prices.
Resell incumbent's service at retail; own no facilities	Wholesale discounts below retail rates are necessary for profitable retail competition.	Resellers should not get service at prices discounted from retail rates that, because of regulation, are below the cost of providing service.	Set a default wholesale discount of 17–25 percent below retail, based on estimates of incumbents' costs related to retailing that incumbents would avoid.

Source: Council of Economic Advisers, based on Federal Communications Commission interconnection order.

tance service, in accord with the checklist and the "public interest" standard in the Telecommunications Act.

While the interconnection issue is pending, the Joint Board of FCC and State Public Utility Commissioners has adopted recommendations for funding universal service subsidies for telephone service to low-income or high-cost (generally rural) areas through competitively neutral contributions from interstate telecommunications service providers. The proposal defines universal service as including basic voice telephone service and ancillary services. The current practice of subsidizing universal service through "access charges" (fees that long-distance companies pay the local incumbent to originate and terminate calls) is neither transparent nor likely to be sustainable in a competitive environment, as the entry of new telephone companies fosters bypass of the payment system. In December 1996 the FCC initiated proceedings to reform access charges. It is proposing to prescribe specific changes in access charges and/or to grant a local telephone company different degrees of pricing flexibility depending upon whether it faces potential entry, actual competition, or substantial competition.

One question in addressing universal service and access charges is whether, after deregulation, the earnings of incumbent telephone companies will suffice to cover the infrastructure costs mandated under prior regulatory regimes. As last year's *Economic Report of the President* argued in the context of "stranded costs" of electric utilities (which are discussed further below), recovery of costs legitimately incurred pursuant to regulatory obligations would be warranted. Such recovery should be limited, however, to investment expenses not already recovered through past earnings. It is also crucial that any such recovery be accomplished in a manner that is competitively neutral—for example, creating neither artificial price nor cost advantages for the incumbent carrier.

The years of debate that preceded passage of the Telecommunications Act are likely to presage additional years of regulation and litigation to realize its goals. These complex issues will require active policy oversight to ensure a proper outcome.

EXPANDING COMPETITION IN ELECTRICITY: FEDERAL ORDERS AND STATE INITIATIVES

Telecommunications was not the only industry during the past year to be the object of procompetitive policy initiatives. Major regulatory decisions by the Federal Energy Regulatory Commission, along with ambitious State initiatives, are already opening markets in electric power generation to competition. Legislation to increase competition in electric power markets is under active consideration by the Congress and the Administration. (Box 6–6 discusses the important role of merger enforcement during the transition to competition in the electricity and telephone industries.)

The 1992 Energy Policy Act authorized the FERC to order a transmission-owning utility to provide wholesale transmission service. This enabled generators owned by the transmission utility, by other utilities, or by independent power producers to compete to sell power to local distribution companies or anyone else engaged in the resale of electricity. Opening up wholesale markets and interstate transmission networks to the panoply of generating companies should lower prices and will be necessary for effective retail competition. State regulators are now determining the extent to which competition in electricity may extend to retail markets.

The key provisions of the FERC's Order No. 888, issued April 24, 1996, require public utilities to file nondiscriminatory "open access" tariffs for the interstate transmission of electricity sold at wholesale. Order No. 888 also requires "functional unbundling" by utilities of generation from transmission, with separate rates for wholesale power, transmission service, and other ancillary services. These tariffs are intended to ensure that the utility treats nonaffiliated power companies the same way it treats its own generators in terms of prices and service options. To implement these procedures, Order No. 889 mandates the creation of Open Access Same-Time Information Systems (OASIS) to provide all generators with up-to-the-minute data regarding power flows and congestion in the transmission network. The thrust behind these two orders is the

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FOOTNOTE: 3

Box 6-2.—The Electric Power Industry

Four main types of electric utilities operate in the United States: investor-owned utilities, which are typically privately owned, regulated monopolies; non-Federal publicly owned utilities, which are nonprofit State and local government agencies established to serve their communities and nearby customers at cost; cooperative utilities, which are owned by and provide electricity to their members; and Federal power agencies, which are primarily electricity producers, wholesalers, and transmitters. Although only about 250 out of the 3,204 electric utilities nationwide in 1994 were investor-owned, they are by far the most economically significant group, earning almost 80 percent of all electricity revenues. Over 99 percent of investor-owned utilities' revenues accrued to the 179 largest utilities.

Total electricity revenues in 1994 were $203 billion, or about 3.2 percent of gross domestic product (GDP). Of that sum, residential users accounted for almost $85 billion, commercial users for about $63 billion, and industrial users for $48 billion. The electric utility industry is one of the most capital-intensive in the United States; the 179 largest investor-owned utilities alone had almost $575 billion in assets in 1994, amounting to almost 5 percent of the gross capital stock of all industries.

Competition typically offers important advantages over monopoly: it encourages innovation, which lowers costs and increases the variety of products available to consumers. And *regulated* monopolists generally have weaker incentives than unregulated monopolists to cut costs, to launch new products, and to respond to changing customer demands. In addition, there are administrative costs of regulation and, more important, the potential for losses due to protracted disputes between the regulated firm, customers, and regulators, which can cause long delays in adjusting prices or in authorizing new investments.

The bottom line is that competition need not be perfect for it to be preferable to regulated monopoly. The advantages of competition can easily outweigh the disadvantage of not fully exploiting economies of scale.

ADAPTING REGULATION TO INCREASE COMPETITION

Although regulation has been the primary tool for addressing monopoly in infrastructure industries, these industries have also been subject to antitrust rules in some aspects of their operation, such as interconnection in the case of the telephone industry. Regulation and antitrust have had an uneasy coexistence, given their somewhat inconsistent thrusts: antitrust encourages competition

but for the most part does not attempt to control a firm's prices, investments, and technology choices, whereas regulation does attempt to control such decisions and often restricts entry into the industry as well, thereby reducing competition. The difficulties in reconciling these approaches, and the distortions that stem from regulating monopolies, have created growing support for moving toward a more integrated competition-cum-antitrust regime.

Regulatory reforms in the 1970s and 1980s demonstrated that largely unregulated competition yields more efficient performance in such traditionally regulated industries as air transport and trucking, natural gas production, and long-distance telephone service. More recently, technological advances have further increased the scope for competition in local telephone and cable service and in the electric power industry. Regulatory regimes should adapt to changing conditions, to help shrink the boundaries of the regulated sector and rely more on competition.

Removing Legal Entry Barriers

The need for regulatory reform is nowhere more glaring than in telecommunications, with its blistering pace of technological change. Several technologies may in the future offer economical alternatives to today's local telephone network. Cable companies are experimenting with upgrading their existing lines to deliver telephone service. Wireless technologies now used mainly for mobile communications might also be used for ordinary telephone service if costs fall sufficiently. Fiberoptic lines, now used principally by companies that specialize in providing access to long-distance carriers, could be extended to homes and businesses. Mobile telephone service from low-orbiting satellites could eventually provide basic local service. Similarly, large-scale competition to cable companies in delivering video services may come from various sources including satellites, wireless land-based technologies, or telephone companies upgrading their networks. Meanwhile the rapid technological change that is blurring industry boundaries in telecommunications is also leading to the emergence of hybrid services such as multimedia, which defy easy classification into traditional industry definitions.

With so much uncertainty about the shape of the communications networks of the future, and with significant potential for competition, the best course is to leave their evolution to be determined by the private sector. Policymakers should not attempt to prejudge the outcome by assuming that local telephone and cable service are natural monopolies best provided by regulated franchise monopolists. Attempts to preserve artificial industry lines for the sake of maintaining regulation under traditional monopoly franchises become arbitrary, futile, and counterproductive.

Special Report 230

Winds of Change

Domestic Air Transport Since Deregulation

TRANSPORTATION RESEARCH BOARD
NATIONAL RESEARCH COUNCIL
Washington, D.C. 1991

FOOTNOTE: 5

Dakota, and New York City), in which virtually all trips were likely to have involved a large carrier for at least part of the journey. For this analysis, the small community was defined even more broadly than before to include many small cities with up to 500,000 enplanements in 1988.

The purpose of this analysis was to determine if average yields in small-community markets varied significantly from those in larger markets during the sample period of 1988 to 1989. Each of the 160 small-community city pairs was grouped by mileage block, along with the remaining 635 city pairs. The average yields in each of the small-community categories and the other categories were then compared.

As shown in Table 3-19, the results from this analysis show yields in small communities that are not noticeably different from those in

TABLE 3-19 AVERAGE YIELD IN SMALL-COMMUNITY CITY PAIRS VERSUS ALL OTHERS, 1988–1989

	Yield (cents per mile) by Distance (miles)				
Market Type	100–499	500–999	1,000–1,499	1,500–1,999	2,000+
Small community	38.4 ($N=62$)	21.3 ($N=40$)	13.4 ($N=35$)	10.4 ($N=12$)	10.0 ($N=11$)
Other	35.9 ($N=148$)	21.3 ($N=165$)	12.8 ($N=95$)	11.1 ($N=123$)	9.5 ($N=104$)
Percent difference	+7	0	+5	−6	+5

NOTE: Small-community city pairs include one or more small cities, which are defined as having fewer than 500,000 enplanements per year. However, because of insufficient fare information for very small cities, only 20 city pairs involving cities with fewer than 100,000 enplanements are included in the sample. Data are for the last two quarters of 1988 and the first two quarters of 1990. N = sample size.
SOURCE: DOT O&D Survey.

other markets. For most markets sampled, the difference in yield was typically less than 10 percent, suggesting that on many long- and medium-haul trips (which usually involve a connection at a larger hub or spoke airport), travelers from small communities may be benefiting from the same efficiencies of hub-and-spoke systems as travelers from much larger markets.

SUMMARY

General Trends

Deregulation brought changes to the airline industry that have produced substantial benefits to air travelers. More travelers are flying now than ever before: the number of annual passenger trips (which excludes connecting enplanements) has increased by nearly 100 percent since 1977. This growth in travel has been accompanied by—and largely stimulated by—reductions in the fares paid by passengers. After adjustments are made for inflation, the average passenger yield (fare divided by miles traveled) fell by about 15 percent between 1979 and 1989. This decline occurred despite several external events that caused sharp increases in airline costs, which probably would have resulted in even higher fares had the previous system of fare and route regulation continued.

Overall, the pattern of fare and service changes since deregulation has been fairly consistent with prederegulation predictions. Fare and service options are much greater than before deregulation, resulting in a wider variety of fares. Hence, today approximately 25 percent of passengers are paying fares that are much higher (2.5 times higher) than the industry average yield compared with 19 percent 10 years earlier. By comparison, however, 15 percent of passengers are paying less than half the industry average fare, which is three times more than in 1979. Altogether, more than three-fourths of travelers are flying in markets that have experienced real fare declines since deregulation. The principal beneficiaries have been travelers in medium- and longer-distance markets, who have benefited from the elimination of fare cross subsidies (which favored short-haul travel) and from the proliferation of competing hub-and-spoke systems. On average, travelers in longer-distance markets (more than 1,000 miles) have enjoyed real fare declines of 10 to 35 percent.

Effects of Competition on Fares and Service

In recent years fares have climbed upward slightly throughout much of the airline industry. This trend toward somewhat higher fares has coincided with an increase in airline costs as well as an increase in airline concentration nationally and in many individual cities and city-pair

Stranded by Airline Deregulation

Some Cities Cite Economic Hardships Caused by High Fares, Limited Service

By Frank Swoboda

Washington Post Staff Writer
Saturday, January 2, 1999; Page F01

CASPER, Wyo —Even the dead here are finding it expensive to fly back home.

When a body is returned to Casper for burial, funeral director Bob Bustard has a problem: The planes that fly here are too small. Caskets are too heavy, and even the lighter cardboard containers used to ship human remains are too big to fit on the planes. So about once a month Bustard has to send a hearse to the Denver airport to pick up or deliver a casket, adding $325 to the cost of a burial. He charges $1 per "covered mile."

Before airline deregulation two decades ago, Casper was served by full-size jets, with large cargo holds and seats for more than 120 people, and by routes and fares dictated by the federal government. Today, Casper is served only by commuter turboprops that can carry about 35 passengers and their luggage -- and charge sky-high fares.

Isolated on the high plains of the West, north of Denver and south of nowhere, this rural community of 65,000 has become ground zero in an emerging war over airline competition.

Nearly everyone seems to agree that unfettered competition in the airline industry has, for most Americans, resulted in lower fares and more choices and service. But a 20-year trend has left communities such as Casper -- and even bigger cities such as Des Moines -- with poor service and high fares that officials say are driving away companies and harming local economies.

Now the Clinton administration is promoting a plan -- fiercely resisted by major airlines -- that for the first time since deregulation would make the federal government a sort of referee, able to step in and improve the situation. Airlines argue that this plan would result in creeping reregulation, but officials in cities with poor air service see it as a way to win a fighting chance at equal treatment. For example, the government could encourage greater competition on routes dominated by single carriers or stifle potentially unfair competition directed at start-up carriers.

While fighting the Clinton administration's plan, some airlines have begun to recognize that they might have to adjust prices in response to community concerns. In March, United Airlines Chairman Gerald Greenwald met with a delegation of Des Moines business leaders at the airline's Chicago headquarters and agreed to reduce the round-trip, walk-up fare between the two cities to $513 for an indefinite test period. United dominates the 299-mile Chicago-to-Des Moines route and had charged as much as $800. Air fares still are considerably lower in Omaha, a two-hour drive west of Des Moines, because of the presence of Southwest Airlines, the nation's premier low-fare carrier.

Yet no one has found a way to guarantee that a vibrant free market would give Casper back its full-size jets or let Des Moines have fares as cheap as Omaha's, a situation that some experts said will leave these communities at as great an economic disadvantage in the future as towns that were skirted by interstate highways after World War II or by railroads at the turn of the century.

"If you don't have good air service," said Gordon Jenkins, president of First Interstate Bank in Casper, "you might as well put up a 'closed for business' sign." He said the problem for his city and other small communities is that "there are three or four species of big game that outnumber the people of the state -- and they don't fly."

For five days last winter, Rob Monroe's flowers sat in below-freezing temperatures on a loading dock at Denver International Airport, waiting for enough room in the cargo hold of the small United Express plane that flies to Casper. "Our flowers are being bumped by passenger luggage," complained Monroe, owner of Nate's Flowers and Gifts in Casper. During the past 20 years, Monroe said, his business's profit margin has shrunk from 10 percent to 4 percent, which he attributes entirely to deteriorating air service.

FOOTNOTE: 6

Before deregulation in 1978, all fares were set by the government, and there was little variation in price among carriers. But the economics of deregulation -- the greatest demand helps create the lowest fares -- have created pricing variations that are maddening to the people of Casper.

Now, a single carrier -- United Express -- serves Casper from Denver, and another carrier -- SkyWest -- handles the route to Salt Lake City. So people in Casper have no choice but to pay $398.17 for a round-trip walk-up ticket for the 300-mile trip to Denver

Roy Cohee, owner of C&Y Transportation Co and a newly elected member of the Wyoming state legislature, said that five years ago, he and his wife took a vacation trip to Ireland, where the round-trip ticket for the one-hour flight from Casper to Denver cost each of them $320. The round-trip ticket for the nine-hour flight from Denver to Dublin was $450

Transportation Secretary Rodney E. Slater argues that deregulation has created "pockets of pain" throughout the country. For the good of the U.S. economy, Slater said, the government must foster more competition

But the airlines counter that the Clinton administration's remedies would stifle competition. "It's real regulation, it's the essence of regulation," said Michael E. Levine, an executive vice president at Northwest Airlines. "What they're trying to do is tie us down, but lightly. It's light bondage."

Under guidelines proposed last year, the Clinton administration said, it would be easier for small and mid-size cities such as Casper and Des Moines to attract start-up airlines -- without the threat of major carriers snuffing them out by selling tickets below cost and boosting capacity until they are driven out. Essentially, established airlines would be required to maximize profits at all times and could no longer "dump" prices to gain market share.

The Transportation Department claims that in Des Moines, United Airlines matched the fares of upstart Vanguard Airlines, which dipped as low as $78 for a one-way trip to Chicago, and then boosted the round-trip fare to more than $800 once Vanguard left.

The guidelines also take aim at "fortress hubs," where a single carrier dominates traffic to a major regional airport. Denver International, the major hub for air service to Wyoming, is dominated by United, which has 65 percent of the traffic

A hub airport is like the center of a wheel: Traffic from outlying parts of the region is carried, often in small planes, down the spokes of the wheel to the hub, where service is available to anywhere in the world But people out on the end of the spokes often pay a high price.

John Robson, chairman of the Civil Aeronautics Board in the Ford administration, who is credited with initiating deregulation, wrote this spring in the magazine Regulation that the type of price competition the Clinton administration wants to control has helped push down ticket prices.

"One of the reasons air fares have declined over the past 20 years is the practice of established carriers to fight aggressively for customers by meeting the competitive challenge of new rivals in the marketplace," Ronson wrote, adding "This is the way free markets are designed to work."

That's what worries Todd Ennenga, 35, who earlier this year abandoned a promising career as a brand manager with Philip Morris Cos. in New York to return to the tranquillity of his hometown, where he is executive director of the Casper Area Chamber of Commerce. Ennenga has made the air-service issue his cause, convinced it is the key to Casper's growth. "The stakes are just too high in economic development for us not to have good air service," Ennenga said

George Howley, president of the Casper Area Economic Development Alliance, which helps lure businesses to the region, said, "We have gone back and looked at the companies that considered Casper, and air service is always one of the top issues."

He said Casper lost a bid for a Nationwide Insurance facility with 2,500 jobs because of the poor quality of air service. "We came in third because managers couldn't get in and out easily, and they considered it an inconvenience," Howley said.

And even when a company decides to relocate to the area, Howley said, the poor air service often keeps the good jobs elsewhere. He pointed to Boise Cascade Corp., which is building a data-processing center in Casper that eventually could employ as many as 500 people. But the company, after many visits to the site and a careful review of Casper's air service, decided not to build a training center here as well. "With the cost of air service, they decided it wasn't feasible," Howley said

John Philp, United's representative in Denver, said his airline is providing Casper with 402 seats a day, one way, but nearly half fly empty. Philp said Casper and Jackson are strong markets for Wyoming, but they are small in the larger scheme of things.

"There are only 460,000 people in the whole state," Philp said. "Everybody wants more service and more jets if they can, but the economics are tough to justify when only 250,000 passengers left Wyoming last year. You've got to size your product to your demand."

Philp called the economic-development arguments made by people like Ennenga and Howley a "chicken-and-egg" debate. "It's mostly an economic-development argument that if you provide more seats, you'll get more people and more business," he said. But even if United Express were to provide more passenger seats, Philp said, the airline would probably not increase freight capacity.

In Des Moines, the verdict is still out on the success of the lower United fare to Chicago in attracting business passengers. Some business leaders argue that ticket prices are still too high. The airline's initial results show a slight rise in the number of passengers carried, accompanied by a slight decline in profits from leisure passengers attracted by corresponding lower rates generated by the negotiated fare.

Although Des Moines is served by several airlines, Miller and others said real competition is the answer to the city's air-service woes

"This issue is about jobs outside the major metropolitan areas of this country," said Douglas Siedenburg, who heads the Siedenburg Group, a real estate investment and consulting firm in Des Moines. "The answer can't be solved by negotiating with one airline at a time."

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Source: PAINEWEBBER INC.
Date: Sep 21, 1998

Title: Telecommunications Services
Author: Strumingher, E., et al

Subjects: telecommunications; telecommunications

Industry: telecommunications

SIC Codes: 4800

Telecommunications Services

Regulatory issues on the front burner

Highlights

In this note we analyze some regulatory issues with investment significance to the telecommunications industry.

We expect the drafting of an FCC reauthorization bill to begin soon. Commerce Committee Chairman John McCain may press the FCC for less restrictive industry regulation which could, if successful, be of some benefit to the RBOCs.

Much remains to be done on the large LEC high-cost Universal Service Fund, but we believe that congressional advocacy for rural states will be a strong factor in producing a fund size that is at least $10 billion, essentially splitting the difference between RBOC and long-distance industry desires.

A recent white paper from the FCC's Office of Plans and Policy suggests the potential desirability and legal obligation of requiring common carrier status for cable operators that offer advanced services such as Internet access, a new and potentially negative development for the cable television industry but not as bad for AT&T's.

FOOTNOTE: 8

At the state level, intraLATA dialing parity is an issue being actively explored at state commissions, given their statutory ability to require RBOCs to implement this in February of 1999.

Regulation of telecommunications is and should continue to be one of the most significant drivers of investment returns in the sector, and we believe that the deck is stacked against the RBOCs. Bell Atlantic (BEL) is the only RBOC stock that offers the level of investment return we require for a Buy rating at this time.

Investment opinion

With Congress back in session, we thought it timely to do an update on some of the major telecommunications industry issues that are on the front burner in the nation's capital. We have done the same at the state level. With few exceptions, regulators have implemented the Telecommunications Act of 1996 in ways that are disadvantageous for the Regional Bell Operating Companies (RBOCs), and we don't see any signs that this is changing much. Although the Bells could get some help during the upcoming FCC reauthorization process, and it looks like they will get a better deal than we previously expected on Universal Service, the ball is not bouncing their way on most big issues in the regulatory arena. In fact, now that the Eighth Circuit Court has ruled against the Bells on shared transport, it seems to us that successful RBOC 271 applications will have to incorporate a "rebundling" or network platform option, meaning that most RBOC operation and support systems (OSS) still have a long way to go in order to pass the 14-point checklist to the satisfaction of the Department of Justice or the FCC. (*) Regulation of telecommunications is and should continue to be one of the most significant drivers of investment returns in the sector, and we believe that the deck is stacked against the RBOCs. Bell Atlantic (BEL) is the only RBOC stock that offers the level of investment return we require for a Buy rating at this time. We believe that the largest beneficiary of industry deregulation is MCI WorldCom (WCOM), our top pick in the telecommunications services sector. We also believe that competitive local exchange carriers (CLECs) such as Advanced Communications Group (ADG), Intermedia Communications (ICIX), Electric Lightwave (ELIX) and GST Telecommunications (GSTX) are positioned to be leading beneficiaries of this change. We also have buy ratings on these stocks.

Issues on the front burner in the nation's capital

FCC reauthorization

We expect the drafting of an FCC reauthorization bill to begin soon, with hearings to start in January. The bill will be drafted by the Commerce Committee, which is chaired by Senator John McCain. McCain's philosophy on regulation is right out of the Chicago School of Economics, and we believe that he may press the FCC for less restrictive industry regulation which could, if he is successful, benefit the RBOCs and the cable television industry. In fact, McCain has such a free-market bias that he was one of only seven senators who voted against the Telecommunications Act of 1996 -- he thought that it was overly regulatory. One of McCain's biggest regulatory beefs has been the restrictions on RBOC long-distance entry and the lack of a date certain. While we doubt that any date-certain language will be attached to the reauthorization bill (because it would not have the necessary political support) and believe that it would be voted down if attempted, McCain could attach an amendment to the bill that includes a definition of public interest in the context of section 271 of the Telecom Act, making it more difficult for the FCC to defend rejections of 271 applications. This would probably be supported by conservatives and RBOC loyalists on the Hill who are upset because they believe that the FCC is using the latitude it has from the ambiguous "public interest" standard which it applies to 271 applications. Some are concerned that the FCC may use the public interest test to reject applications that meet objective standards of entry. As we discuss in the next section, the impact of such a definition is likely muted by the Eighth Circuit ruling against the RBOCs on shared transport. McCain may also seek to define public interest as it pertains to merger reviews, and may look to downsize or eliminate certain bureaus within the FCC. We believe that the cable bureau of the FCC may be fixed in the senator's crosshairs.

(*) Please see appendix for a reprint of our analysis of the shared transport decision.

We believe that even if Senator McCain is successful in defining a public interest standard in the reauthorization process (with a definition that is beneficial to the RBOCs), it will not have as much significance as it did before the RBOCs were defeated on shared transport, which likely means that RBOCs will have to offer the network platform (aka "rebundling" and UNE-P) as a part of the 14-point checklist compliance. Thus the FCC will probably get most of what it wants through the 14-point checklist compliance and will not have to resort to the public interest test.

Supreme Court Case

MCI WORLDCOM, INC. NDQ-WCOM

RECENT PRICE	49	P/E RATIO	42.6 (Trailing: 81.7; Median: 20.0)	RELATIVE P/E RATIO	2.86	DIV'D YLD	Nil	VALUE LINE	752

TIMELINESS — Suspended 1/10/97
SAFETY 3 New 10/15/93
TECHNICAL — Suspended 1/10/97
BETA NMF (1.00 = Market)

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
High:		1.5	2.1	5.0	7.6	13.2	14.8	17.9	28.9	39.9	57.9	
Low:		1.1	1.0	1.9	4.2	7.1	7.0	9.6	16.3	21.3	28.0	

Target Price Range 2001 | 2002 | 2003

2001-03 PROJECTIONS

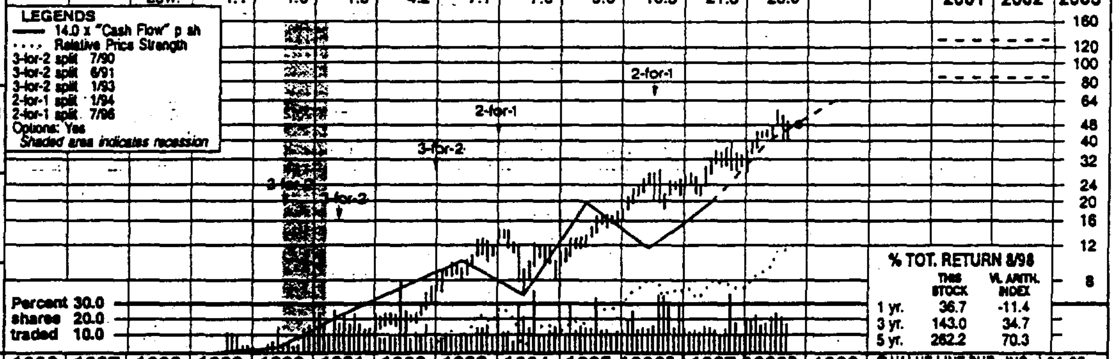
	Price	Gain	Ann'l Total Return
High	130	(+165%)	28%
Low	85	(+75%)	15%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	2	0	0	0	1	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	4Q1997	1Q1998	2Q1998
to Buy	300	383	407
to Sell	158	149	181
Hld's(000)	573838	745824	796003



1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996C	1997	1998D	1999	© VALUE LINE PUB., INC.	01-03
--	--	--	--	--	--	1.24	1.86	2.18	3.09	4.02	4.80	6.96	9.42	5.07	8.09	*17.45*	*20.85*	Revenues per sh	*33.75*
--	--	--	--	--	--	.13	.18	.27	.39	.53	.73	.49	1.41	.84	1.41	*2.95*	*4.60*	"Cash Flow" per sh	*8.25*
--	--	--	--	--	--	.04	.06	.13	.21	.27	.43	d.03	.65	1.02	.40	*.85*	*2.05*	Earnings per sh A	*4.35*
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*	Div'ds Decl'd per sh	*Nil*
--	--	--	--	--	--	.07	.16	.19	.22	.29	.15	.60	.92	.74	2.91	*3.60*	*3.60*	Cap'l Spending per sh	*3.55*
--	--	--	--	--	--	.24	.49	.56	1.17	1.49	6.80	5.72	5.58	14.63	14.85	*13.75*	*14.65*	Book Value per sh	*22.10*
--	--	--	--	--	--	42.80	58.88	70.73	85.36	199.04	238.51	319.29	386.49	885.08	909.20	*1831.5*	*1840.0*	Common Shs Outst'g B	*1870.0*
--	--	--	--	--	--	7.8	9.9	11.5	17.1	19.0	23.3	--	21.2	22.3	74.2	*Bold figures are*		Avg Ann'l P/E Ratio	*25.0*
--	--	--	--	--	--	.65	.75	.85	1.09	1.15	1.38	--	1.42	1.40	4.30	*Value Line*		Relative P/E Ratio	*1.80*
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	*estimates*		Avg Ann'l Div'd Yield	*Nil*

CAPITAL STRUCTURE as of 6/30/98E
Total Debt $8975.6 mill. Due in 5 Yrs $5610 mill.
LT Debt $8971.1 mill. LT Interest $500.0 mill.
(Tot. int. coverage: 3.4x) (37% of Cap'l)

Leases, Uncapitalized Annual rentals $215.5 mill.

Pension Liability None

Pfd Stock $.12 mill. Pfd Div'd $1.0 mill.
(less than 1% of Cap'l)

Common Stock 1,071,304,490 shs. (63% of Cap'l)
as of 7/31/98
MARKET CAP: $52.5 billion (Large Cap)

1988	1989	1990	1991	1992	1993	1994	1995	1996C	1997	1998D	1999		01-03
53.3	109.5	154.4	263.4	800.8	1144.7	2220.8	3639.9	4485.1	7351.4	*32000*	*38400*	Revenues ($mill)	*63100*
21.6%	21.1%	23.4%	22.1%	21.5%	24.3%	15.3%	27.1%	26.7%	27.5%	*22.5%*	*30.0%*	Operating Margin	*34.5%*
3.4	6.4	9.4	15.4	53.9	79.9	163.8	311.3	303.3	920.7	*3885*	*4675*	Depreciation ($mill)	*7300*
2.2	4.3	9.8	17.7	53.9	104.2	19.9	267.7	440.2	383.7	*1560*	*3785*	Net Profit ($mill)	*8145*
47.5%	45.3%	44.2%	43.0%	43.4%	40.6%	NMF	39.0%	35.3%	52.0%	*38.0%*	*38.0%*	Income Tax Rate	*40.0%*
4.1%	3.9%	6.3%	6.7%	6.7%	9.1%	.9%	7.4%	9.8%	5.2%	*4.9%*	*9.9%*	Net Profit Margin	*13.0%*
d9.5	d5.0	d5.8	d16.0	14.1	13.0	d121.3	d1324	386.1	d365.3	*d1600*	*d1000*	Working Cap'l ($mill)	*1000*
43.4	76.6	93.9	150.5	333.7	526.0	788.0	2278.4	4803.6	6527.2	*14685*	*16935*	Long-Term Debt ($mill)	*26435*
10.2	28.9	39.4	100.1	343.0	1621.7	1827.2	2187.3	12960	13510	*25260*	*27030*	Shr. Equity ($mill)	*41400*
7.7%	8.5%	11.3%	9.4%	9.3%	5.5%	1.5%	8.1%	3.0%	2.9%	*5.0%*	*9.5%*	Return on Total Cap'l	*12.5%*
21.5%	14.8%	24.8%	17.7%	15.7%	6.4%	1.1%	12.2%	3.4%	2.8%	*6.0%*	*14.0%*	Return on Shr. Equity	*19.5%*
21.5%	14.8%	24.8%	17.7%	17.5%	5.8%	NMF	10.9%	3.4%	2.6%	*6.0%*	*14.0%*	Retained to Com Eq	*19.5%*
--	--	--	--	4%	10%	NMF	12%	NMF	7%	*Nil*	*Nil*	All Div'ds to Net Prof	*Nil*

CURRENT POSITION ($MILL.)	1996	1997	6/30/98E
Cash Assets	995.2	67.7	84.5
Receivables	1000.0	1199.1	1789.1
Other	300.9	415.8	519.9
Current Assets	2296.1	1682.6	2393.5
Accts Payable	588.7	463.3	448.9
Debt Due	22.4	10.6	4.5
Other	1298.9	1574.0	2038.5
Current Liab.	1910.0	2047.9	2491.9

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '95-'97 to '01-'03
Revenues	--	19.5%	*NMF*
"Cash Flow"	--	25.0%	*NMF*
Earnings	--	27.5%	*NMF*
Dividends	--	--	*NMF*
Book Value	--	61.0%	*NMF*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	865.0	894.7	933.6	946.6	3639.9
1996	1034.1	1073.5	1143.4	1234.1	4485.1
1997	1677.2	1770.1	1901.2	2002.9	7351.4
1998	*7550F*	*7890F*	*8140*	*8420*	*32000*
1999	*9060*	*9470*	*9770*	*10100*	*38400*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	.14	.16	.15	.20	.65
1996	.21	.25	.27	.29	1.02
1997	.05	.08	.12	.15	.40
1998	*.12F*	*.23F*	*.24*	*.26*	*.85*
1999	*.42*	*.53*	*.54*	*.56*	*2.05*

Cal-endar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1994	NO CASH DIVIDENDS BEING PAID				
1995					
1996					
1997					
1998					

BUSINESS: MCI WorldCom, Inc. (formerly WorldCom., Inc.), formed by the merger of MCI and WorldCom in Sept. 1998, is the second largest long-distance carrier in the nation. Offers local, long distance, data, and Internet services. Serves the entire U.S. and points to over 230 countries. Products include switched and dedicated lines for voice and data. Acquired CompuServe, ANS Comm., and Brooks Fiber, 1/98; MFS Comm., 12/96; IDB Comm., 12/94; WilTel, 1/95. Has about 75,000 emplys. and 65,500 shrhldrs. 1997 depr. rate: 13.6%. Offs. & dirs. own 3.6% of com.; FMR, 7.1% (12/97 10-K). Inc.: GA. Chrmn.: Bert Roberts, Jr. Pres. & CEO: Bernard Ebbers. Addr.: 515 E. Amite St., Jackson, Miss. 39201-2702. Tel.: 601-360-8600. Internet: www.wcom.com.

MCI WorldCom is endeavoring to integrate expanded operations, stemming from WorldCom's acquisition of MCI. The new company plans to record a $3.1 billion, one-time charge, related to MCI's in-process R&D projects, in an upcoming quarter. Since the charge will not be spread over several years, future earnings matchups will appear more favorable. About $26.0 billion in goodwill will be amortized over 40 years. Management also expects corporate consolidation efforts to result in restructuring charges to be taken in the near term. Our earnings estimates exclude the charges, but we have adjusted the company's 1998 shareholder equity figure. Separately, WorldCom issued $6.1 billion in senior debt last August to help pay for the purchase of MCI, which required a $7.0 billion cash outlay to British Telecom for its 20% stake in the Washington, D.C.-based telco. About 760 million shares of MCI WorldCom common stock ($37.0 billion) were issued as well.

The company recently launched its "pan-European" communications network. In July, this 2000-mile, fiber-optic network, connecting 27,000 U.S. buildings with 4,000 buildings on the European continent, became operational. The facilities-based system is currently linked to five major cities (Amsterdam, Brussels, Frankfurt, London, and Paris). Management's primary focus is to offer low-cost data services to business customers. MCI WorldCom is now in a leading position on the Continent, but other players (e.g., British Telecom, Equant NV), are constructing similar networks. The new networks' eliminate reliance on cross-border interconnection agreements and can handle large capacity data transmissions. The pan-European network greatly enhances MCI WorldCom's global competitiveness, as does MCI's previous agreement with Telefonica to market international services in Latin America.

MCI WorldCom stock offers appealing capital-gain potential to 2001-2003. The company's emphasis on high-margined international and data services, and resulting cost synergies from the integration of WorldCom and MCI operations suggest strong 3- to 5-year revenue and share-net gains.

David M. Reimer *October 9, 1998*

(A) Basic earnings. Excludes nonrecurring losses: '94, 45¢; '96, 94¢; '98, 40¢. Next earnings report due late October.
(B) In millions, adjusted for stock splits.
(C) Merged with MFS Communications, 12/31/96.
(D) Merged with MCI Communications on 9/14/98.
(E) Excludes MCI.
(F) Pro forma estimate, including MCI.
Timeliness rank suspended due to the recent acquisition of MCI.

Company's Financial Strength	B+
Stock's Price Stability	NMF
Price Growth Persistence	NMF
Earnings Predictability	NMF

FOOTNOTE: 9

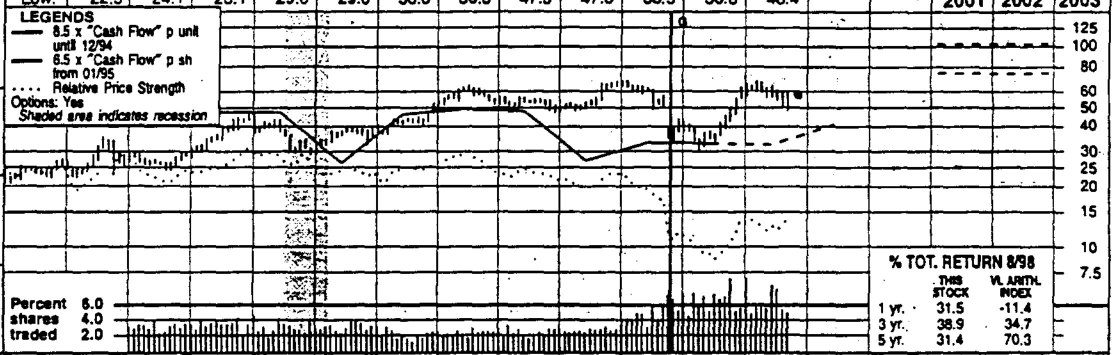
AT&T CORP. NYSE-T

RECENT PRICE	58	P/E RATIO	20.7 (Trailing: 27.1 Median: 16.0)	RELATIVE P/E RATIO	1.39	DIV'D YLD	2.3%	VALUE LINE	737

TIMELINESS — Suspended 9/29/95
SAFETY 2 Lowered 7/11/97
TECHNICAL — Suspended 9/29/95
BETA NMF (1.00 = Market)

High:	35.9	30.4	47.0	46.6	40.4	53.1	65.0	57.1	68.5	68.9	64.0	68.5
Low:	22.3	24.1	28.1	29.0	29.0	36.6	50.3	47.3	47.6	33.3	30.8	48.4

Target Price Range 2001 | 2002 | 2003



2001-03 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	105	(+80%)	18%
Low	75	(+30%)	9%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	1	0	0	1	1	0	2
Options	2	0	0	3	0	0	0	0	0
to Sell	3	0	0	5	0	0	0	0	1

Institutional Decisions

	4Q1997	1Q1998	2Q1998
to Buy	409	393	424
to Sell	356	397	391
Hld's(000)	692980	770452	778674

% TOT. RETURN 8/98

	THIS STOCK	VL ARITH. INDEX
1 yr.	31.5	-11.4
3 yr.	38.9	34.7
5 yr.	31.4	70.3

As of 1996, AT&T's financial results exclude equipment (Lucent Technologies), computer (NCR Corp.), and finance (AT&T Capital) operations. The spinoff of Lucent to shareholders was completed on September 30, 1996. NCR was spun off on December 31, 1996. AT&T Capital was sold to a leasing consortium on October 1, 1996. Citicorp purchased the Universal Card unit on April 2, 1998. The "new" AT&T will focus on the long distance and local telephone markets, and wireless and on-line services.

1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	© VALUE LINE PUB., INC.	01-03
32.79	33.57	34.14	48.18	48.44	49.66	47.86	49.88	32.14	31.60	29.75	32.10	Revenues per sh A	34.90
5.55	5.64	5.61	3.12	5.48	5.83	5.68	4.21	5.14	5.11	5.45	6.90	"Cash Flow" per sh	9.40
2.11	2.50	2.51	.40	2.86	3.15	3.13	1.18	3.47	2.74	2.75	3.90	Earnings per sh B	6.00
1.20	1.20	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.36	Div'ds Decl'd per sh C ■	1.48
3.75	3.15	4.07	2.95	2.94	2.74	3.09	3.76	3.90	4.40	3.95	4.10	Cap'l Spending per sh	4.10
10.68	11.84	12.90	12.39	14.12	10.24	11.42	10.82	12.50	13.94	19.60	21.45	Book Value per sh	33.55
1073.7	1075.8	1092.1	1309.4	1339.8	1352.4	1569.0	1596.0	1623.5	1624.2	1762.6	1700.0	Common Shs Outst'g D	1700.0
13.0	14.8	14.9	91.1	15.0	18.5	17.0	47.0	15.2	15.1	Bold figures are		Avg Ann'l P/E Ratio	15.0
1.08	1.12	1.11	5.82	.91	1.09	1.11	3.15	.95	.87	Value Line		Relative P/E Ratio	1.05
4.4%	3.2%	3.5%	3.6%	3.1%	2.3%	2.5%	2.4%	2.5%	3.2%	estimates		Avg Ann'l Div'd Yield	1.6%
35210	36112	37285	63089	64904	67156	75094	79609	52184	51319	52400	54550	Revenues ($mill) A	59325
22.9%	21.2%	22.0%	7.8%	15.1%	15.4%	16.1%	10.8%	22.1%	21.0%	23.0%	28.5%	Operating Margin	38.5%
3690.0	3366.0	3396.0	3568.0	3540.0	3626.0	4039.0	4845.0	2740.0	3827.0	4780	5100	Depreciation ($mill)	5795
2266.0	2697.0	2735.0	522.0	3807.0	4258.0	4879.0	1866.5	5608.0	4472.0	4855	6630	Net Profit ($mill)	10200
43.9%	32.4%	35.3%	40.9%	36.1%	36.5%	37.0%	46.2%	36.7%	37.8%	33.0%	38.0%	Income Tax Rate	40.0%
6.4%	7.5%	7.3%	.8%	5.9%	6.3%	6.5%	2.3%	10.7%	8.7%	9.3%	12.2%	Net Profit Margin	17.2%
4377.0	3054.0	2687.0	3622.0	5128.0	4404.0	6681.0	137.0	1992.0	d763.0	4500	5000	Working Cap'l ($mill)	6000
8128.0	8144.0	9118.0	8484.0	8604.0	6812.0	11358	11635	7883.0	6826.0	3500	5750	Long-Term Debt ($mill)	11250
11465	12738	14093	16228	18921	13850	17921	17274	20295	22647	34555	36475	Shr. Equity ($mill)	57045
13.2%	14.5%	13.4%	3.3%	15.1%	21.8%	17.9%	7.6%	20.4%	15.5%	13.0%	16.0%	Return on Total Cap'l	15.5%
19.8%	21.2%	19.4%	3.2%	20.1%	30.7%	27.2%	10.8%	27.6%	19.7%	14.0%	18.0%	Return on Shr. Equity	18.0%
8.5%	11.0%	9.5%	NMF	10.9%	17.9%	16.8%	NMF	17.2%	10.3%	7.5%	12.0%	Retained to Com Eq	13.5%
57%	48%	51%	NMF	46%	42%	38%	112%	38%	48%	48%	35%	All Div'ds to Net Prof	25%

CAPITAL STRUCTURE as of 6/30/98
Total Debt $7096 mill. Due in 5 Yrs $3155 mill.
LT Debt $6008 mill. LT Interest $300.0 mill.
(LT interest earned: 19.9x;
total interest coverage: 16.1x) (20% of Cap'l)

Leases, Uncapitalized Annual rentals $652 mill.
Pension Liability None
Pfd Stock None

Common Stock 1,806,338,000 shs. (80% of Cap'l) as of 7/31/98
MARKET CAP: $104.8 billion (Large Cap)

CURRENT POSITION[E] ($MILL.)	1996	1997	6/30/98
Cash Assets	134	145	7755
Receivables	16060	14257	8621
Other	2116	1777	2341
Current Assets	18310	16179	18717
Accts Payable	6173	6243	5754
Debt Due	2460	3998	1088
Other	7685	6701	7321
Current Liab.	16318	16942	14163

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd 1996 to '01-'03
Revenues[A]	1.5%	-3.0%	1.5%
"Cash Flow"	-.5%	.5%	10.5%
Earnings	4.0%	5.0%	9.5%
Dividends	1.0%	--	2.0%
Book Value	-.5%	-1.0%	18.0%

Cal-endar	QUARTERLY REVENUES ($ mill.)[A,E] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	18262	19512	19704	22131	79609
1996	12850	12868	13228	13238	52184
1997	12662	12825	13004	12828	F51319
1998	12631	12858	13545	13366	52400
1999	13360	13600	13890	13700	54550

Cal-endar	EARNINGS PER SHARE[A,B,E] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1995	.76	.85	.60	d1.03	1.18
1996	.92	.95	.84	.76	3.47
1997	.67	.57	.69	.81	F2.74
1998	.77	d.13	1.09	1.02	2.75
1999	.82	1.05	1.00	1.03	3.90

Cal-endar	QUARTERLY DIVIDENDS PAID[C] ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1994	.33	.33	.33	.33	1.32
1995	.33	.33	.33	.33	1.32
1996	.33	.33	.33	.33	1.32
1997	.33	.33	.33	.33	1.32
1998	.33	.33	.33		

BUSINESS: AT&T Corp. (formerly American Telephone and Telegraph), which resulted from a court-ordered breakup of the Bell System in 1984, received about 23% of the former company's assets. AT&T operates in the global telecommunications and information management industry. 1997 *revenue breakdown*: wireline, 88%; wireless, 8%; local service, products and other, 4%. Acquired McCaw Cellular in '94, NCR Corp. in '91; LIN Broadcasting in '95. 1997 depreciation rate: 8.6%. Estimated plant age: 8 years. Has 133,000 employees, 3.5 mill. shareholders. Offs & Dirs own less than 1% of common. (5/98 Proxy). Chairman & C.E.O.: C.M. Armstrong. President: J.D. Zeglis. Incorporated: NY. Address: 32 Ave. of the Americas, NY, NY 10013-2412. Telephone: 212-387-5400.

AT&T's pact with British Telecom (BT) should provide an edge in the international market. Last July, the two telecom giants announced an agreement, whereby they would create an independent business, offering international communications services. By 2000, management expects the 50/50 joint venture to produce $10 billion in revenue and $1 billion in operating income, adding $0.05–$0.10 to AT&T's share net. The companies' project that the venture will turn in annual topline growth of 15% and 15%–20% advances at the operating line. AT&T will opt out of pacts with WorldPartners and Unisource in 2000. These alliances are losing money and have spotty track records in providing service. It's our view that the BT pact will yield better results, but competition from the likes of Global One and MCI WorldCom may prove management's growth targets optimistic. Assuming approvals from U.S. and European antitrust officials, by no means certain, the deal should be finalized by next July.
The $37 billion acquisition of Tele-Communications, Inc. (TCI) offers expanded coverage of the U.S. market. AT&T intends to close this transaction by mid-1999. The cable operator offers access to a sizable customer base and the ability to provide low-cost Internet and local phone services. The combined company will likely need to spend $4 billion over four years to upgrade TCI's network to handle expanded services, which will be no easy task. Management will also need to negotiate alliances with other cable operators to better cover local markets. Though the distinctions between cable and telecom offerings are becoming less obvious, we believe that the acquisition will pass federal antitrust review.
AT&T shares are not ranked for Timeliness because of the pending TCI purchase. Management is making headway in cutting costs and we look for this to become more evident at the bottom line in the coming quarters; common stock buybacks will lend additional support. Good-quality AT&T stock offers worthwhile total returns to 2001-2003. Completion of the BT and TCI deals would likely allow AT&T to produce better 3- to 5-year returns than its industry peers.
David M. Reimer *October 9, 1998*

(A) Incl. access costs begin. in '91; cell. ops. in '94. (B) Diluted egs. Excl. unusual items: '91, d$2.20; '93, d$5.95; '94, d11¢; '95, d$1.09; '96, 19¢; '98, *84¢*. Incl. restruct. chg. in '95: $1.46; '98, *$64*. Next egs. rpt. due mid-Oct. (C) Next div'd meet. Dec. 17. Goes ex Dec. 29. Div'd pmt. dates: 1st of Feb., May, Aug., and Nov. ■ Div'd reinvest. plan avail. (D) In mill. (E) Excl. Lucent, NCR, and AT&T Cap. after '95. (F) *Restated* for discont'd ops. (G) Price plot beyond 10/1/96 excl. Lucent, NCR, and AT&T Cap. Time. rank suspended due to breakup.

Company's Financial Strength	A+
Stock's Price Stability	NMF
Price Growth Persistence	NMF
Earnings Predictability	NMF

FOOTNOTE: 10

The Iridium and Globalstar satellites, dubbed "Big LEOS," are expected to provide wireless voice, data, messaging, and fax services to and from anywhere in the world at any time.

quarter of 1999, Globalstar L.P. is expected to have 48 LEOS plus eight spare satellites commercially operable.

The Iridium and Globalstar satellites, dubbed "Big LEOS," are expected to provide wireless voice, data, messaging, and fax services to and from anywhere in the world at any time. Both systems use digital technology. Both Iridium's and Globalstar's handheld phones will be multimode and will access the cellular telephone network. The Iridium business plan is focusing on professional business travelers and corporations for its customer base, while Globalstar is focusing on the worldwide population that lacks basic local telephone service. The Iridium and Globalstar products are expected to complement the existing wireless telephone market and are not considered head-to-head competitors.

In fact, these mobile satellite services companies are forming alliances with the existing wireless telephone carriers. The key factors that will determine the success of the LEOS market is the integration of the sophisticated LEOS technologies on a commercial basis and the market demand for such services.

Deregulation Provides Some Opportunities

It has been more than two years since the Telecommunications Reform Act of 1996 was passed. Not one RBOC is in interLATA long-distance, nor are any of the large IXCs offering local exchange service to residential consumers. This was not the intent of Congress when it passed the Telecom Act. The beneficiaries of this legislation appear to be the horde of lawyers employed by the RBOCS and the IXCs. In addition, the business consumer has benefited from increased competition in the higher-margin business segment.

The obstacle to Congress' intent appears to be the FCC's implementation of the Telecom Act, that is, the 14-point checklist the RBOCs are required to meet before they can enter into the long-distance market. Three RBOCs, Ameritech Corp., SBC Communications Inc., and U S West Inc., have made Section 271 filings with the FCC. All three filings have been rejected by the FCC, stating that the RBOCs have not sufficiently opened their markets to competition and their operating support systems are not compliant to handling the electronic processing of competitive local exchange company (CLEC) orders. Bowing to Congressional pressures, the FCC recently stated that its staff would assist the RBOCs with the Section 271 filings and provide some clarification on what specifically is required to enter the long-distance market. This change of position by the FCC will be proven in the Section 271 filing by Bell Atlantic for New York State.

In April 1998, the New York Public Service Commission (PSC) chairman announced his support of Bell Atlantic-New York's plans to further open local telephone markets to begin selling long-distance service in the state. The endorsement requires that Bell Atlantic meet a set of local competition conditions that include:

- Offering discount packages of recombined network elements to competitors wishing to provide basic local service and high-speed ISDN service to businesses or consumers. These packages will not be available in New York City, where competition is already intense; and
- Third-party testing of Bell Atlantic's electronic systems used by competing telephone companies to interface with Bell Atlantic systems.

The staff of the Department of Justice participated in this PSC filing process, providing input that should facilitate obtaining Dept. of Justice approval. Bell Atlantic is expected to present its Section 271 filing to the FCC in the fourth quarter of 1998. On securing FCC approval, the company is expected to offer long-distance services in parts of New York State by year-end. This decision by the FCC will be significant to both the RBOCs and the IXCs.

In the interim, two RBOCs—Ameritech and U S West—had been offering long-distance services to their local exchange customers by forming a marketing alliance with Qwest. Both RBOCs would receive a fee from Qwest for each customer that signs up for the long-distance service. However, a federal judge in Seattle granted a temporary restraining order blocking U S West from marketing Qwest's services until

FOOTNOTE: 11

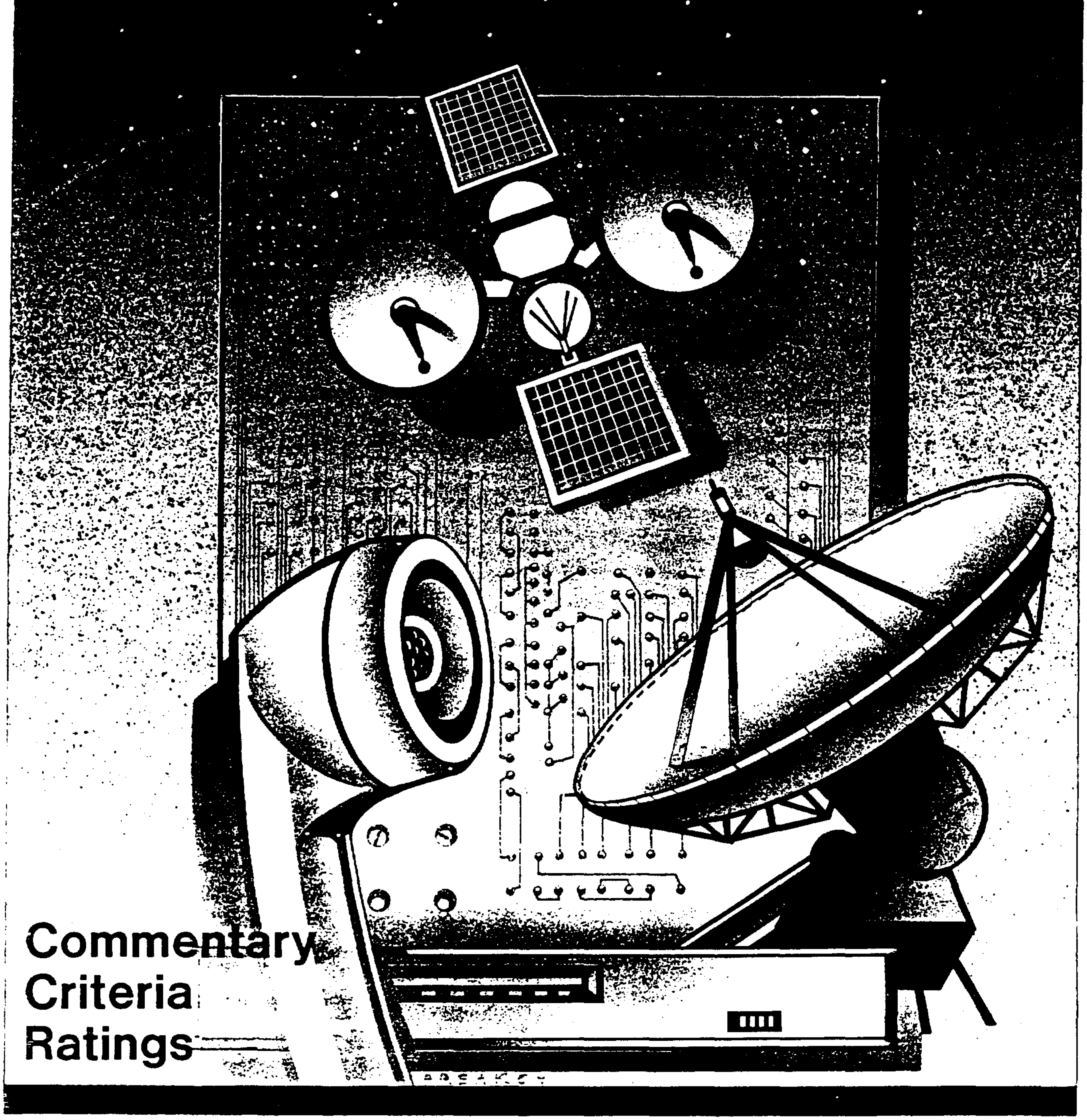
STANDARD & POOR'S

CREDITREVIEW

THE AUTHORITY ON CREDIT QUALITY

JUNE 24, 1991

Telecommunications



Commentary
Criteria
Ratings

FOOTNOTE: 12

system. Narrow Advanced Mobile Phone Service Standard (N-AMPS) is presently being tested in Las Vegas by Centel Corp. as a way to bridge the gap between present analog technology and digital. N-AMPS is designed to triple the number of voice channels available to customers while digital technology is in transition. The capital needs of this industry are not expected to decline over time. The need to introduce standardized digital technology that will better serve both the customer and the operator will require additional investment.

Digital technology. The Cellular Telephone Industry Association has chosen Time Division Multiple Access (TDMA) as the industry standard. However, various cellular operators are also testing the capabilities of Code Division Multiple Access (CDMA).

TDMA divides a 30 kilohertz (kHz) voice channel into three time slots of 10 kHz, each capable of handling one conversation. CDMA uses a spread-spectrum technique, in that the voice channel is modulated by a spreading code to form a digital signal. CDMA can offer 20 times the capacity of analog. These technologies are in the testing phase.

BUSINESS POSITION

S&P assesses five main components to determine a cellular telephone company's business position: cellular POPs; demographics; service revenue; penetration rates; and profit margin.

Cellular POPs. McCaw is the largest cellular telephone company in the U.S., with GTE Mobile Communications being the second-largest operator. Size in itself is advantageous in forming a seamless network. The key is to keep a customer on the system as he drives through various areas. S&P continues to see a consolidation within the cellular industry, with the larger telephone companies acquiring non-wireline franchises. Over 40% of non-wireline cellular systems are owned by wireline companies.

Demographics. In analyzing a cellular company, S&P looks at the size, demographics, and per-capita income in the service area. The type of businesses that predominate, commuting time, and the magnitude of roamer traffic are also considered (A roamer is a cellular customer of Company A driving through Company B's system). Geographic diversity minimizes the degree of vulnerability to economic conditions. However, a large number of dispersed cellular franchises in small MSAs may not fare as well as a few large MSAs in a condensed populated area with a good per-capita income. Markets with the fastest rate of cellular subscribers are located on the West Coast, the Southeast, and the Southwest, although the Northeast corridor linking Washington, D.C., New York, and Boston is very attractive in terms of airtime use and roamer traffic, as are parts of the Midwest. All of the Bell operating companies' cellular subsidiaries provide service to the top 30 MSAs, with RSA markets consisting of highways linking their MSAs.

Service revenue. Monthly service revenue per subscriber has been declining year-to-year, as the more casual customer subscribes to the cellular system. Average monthly revenue per subscriber is around $85, with a few cellular companies still in the $100 per subscriber range. These operators have a larger number of business customers and/or congested highways. The companies have introduced enhanced services to stimulate telephone use. The cost of adding a new subscriber remains high for the industry, as does the customer churn rate.

Penetration rate. While some industry observers project 15% penetration by the year 2000, the current industry average penetration is around 2%. Penetrations for the rated companies range from 0.6%–2.4%. Since customer penetration is linked to the demographics of a market, those cellular companies with ownership in the top 30 MSAs enjoy above-average penetration rates.

Profit margins. Operating profit margin is measured by dividing operating income by total revenues. Profit margins vary greatly within the cellular telephone industry from a negative 15% to a positive 46%. On average, profit margins remain low, because of the capital-intensive nature of an industry. In the rating process, S&P would view a profit margin of above 10% to be an average target at this time.

MEASURES OF FINANCIAL RISK

Although McCaw Cellular Communications Inc. is the only pure rated cellular company, S&P factors a diversified telecommunications company's cellular exposure into the rating process. Given the developmental nature of this industry, the following key financial ratios are of limited use in determining a rating evaluation:

Earnings protection. Income before interest and taxes divided by interest costs calculates the cellular segment's pretax interest coverage for those companies with profitable cellular operations.

Cash flow/interest. S&P uses cellular cash flow after marketing costs and before depreciation relative to interest costs. This measures the company's minimum ability to meet interest costs using available cash.

Cash flow/total debt. This ratio is used to determine the cellular debt capacity and give an indication of its refinancing capability.

Debt per POP. This measures the debt obligations associated to cellular operations in relation to its total POPs. Cellular properties continue to be sold or traded. Therefore, S&P can generally estimate the asset value of a particular market. The market value per POP ratio indicates some measure of refinancing capability.

Rosemary Avellis-Abrams
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COMPETITIVE FORCES PRESSURE TELEPHONE RATINGS

Before American Telephone & Telegraph Co.'s divestiture of local telephone companies, regulation was the industry's major business risk. Local exchange telephone companies were uncertain about whether state and federal regulators, with their mandate to ensure fair and reasonable rates, would grant them sufficient revenues to recover their costs. Today, the inexorable advance of competition most threatens future support for credit quality. The industry's relentlessly growing exposure to competition will occur with or without recognition or admission by managers and regulators. Greater competition is driven by technology, which has never had any regard for regulation, only the economics of the situation. The regulated local telephone companies, with prices averaged to fulfill social goals, are a prime target of this kind of competition.

Substantial revenues are derived from increasingly competitive services, such as interstate long distance and toll service. Local networks price these competitive services to subsidize local service, which is offered below cost. Users of such services have an economic incentive to bypass the local network and avoid subsidizing other customer classes. To retain price-sensitive traffic, rates may need to be rebalanced. As competition replaces regulation, subsidies from the more competitive niches will be eliminated, and local exchange telephone companies will demonstrate higher risk profiles similar to those found in the industrial ratings universe. Longer term, the cost/price relationship will become a key issue in determining ratings.

To date, overall business risk for local telephone companies has been perceived to be quite low compared to that of most

(continued on next page)

INDUSTRY TIMELINESS: 46 (of 96)

With the aid of federal legislation to deregulate the telecommunications industry, competition will intensify in all facets of the telecom arena over the next several years. Even cable companies will probably enter the fray.

Many of the current players, particularly the Baby Bells, will be forced to adapt to a more competitive environment and pursue new business ventures for growth.

Improving technology and the emergence of the Internet promises to further change the landscape of the telecom sector. Meanwhile, a more broad-based introduction of Personal Communication Services (PCS) wireless phones may well lead to lower prices and a new wave of subscriber growth.

The most successful companies will probably be those that offer good technology and best market their services most effectively to the broadest audience.

A Changing Environment

The telecommunications market is undergoing fundamental change in several major facets: federal deregulation, the emergence of the Internet, and the widespread introduction of PCS. The latter two are discussed in more detail below.

In early February, the Federal Government passed a sweeping telecommunication reform bill that clouds the distinction between local and long distance telephone providers. The new law opens the local telephony market to competition, allows the Baby Bells to offer long distance service, and deregulates the cable industry. It effectively overturned the Modified Final Judgment (MFJ), which split *AT&T* into the seven regional bell holding companies (*Ameritech, Bell Atlantic, BellSouth, NYNEX, Pacific Telesis, SBC,* and *U S West*) and *AT&T.*

There are several guidelines of the legislation. For starters, until local competition exists, the Bells can only offer long distance services *outside* their local region. Since most of the Bells' names are only well known within their territories, most companies plan to offer only in-region long-distance service. (That market includes all calls that originate within the local area.) However, before the Bells can offer in-region service, they must meet an extensive checklist to ensure that local competition actually exists. The FCC has a major role in promulgating the rules, including determining "fair" interconnection rates. Interconnection allows other players to purchase local access at wholesale rates and interconnect their networks. Wholesale rates are equal to the retail rates minus avoidable costs (i.e. advertising).

There is bound to be a plethora of lawsuits disputing what the "fair" interconnection rates should be. However, we suspect most of the Bells will be allowed to offer in-region long distance while the suits are pending. If that turns out to be the case, many Bells will probably begin offering in-region long distance service in 1997. However, the time frame may be delayed to 2000 if the Bells are blocked by an injunction until the lawsuits are resolved.

Circuit Versus Packet Switching

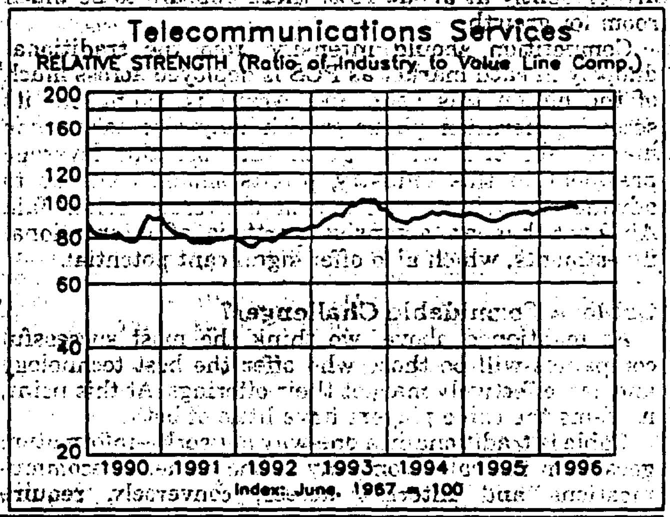
Wired communications has improved substantially since the days of the telegraph, allowing for telephone call charges to fall substantially (adjusted for inflation) over the past 20 years. Even so, the current network largely depends on 70-year-old antiquated circuit switching. Newer packet switching technology, which is used by the Internet, is much more efficient.

Traditional phone calls utilize circuit switching, meaning that one path, or circuit, is dedicated to each conversation. Packet switching, on the other hand, breaks each transmission into packets that are sent over various paths on the network. The key difference is that each transmission may travel along different paths before arriving at the same destination. Switches read the "address" of each packet and send it in the "right" direction. The packets are then reassembled in the correct order at the receiver's location. To illustrate the process, consider a three-page document that is being sent by overnight mail. Using circuit switching, the package would be sent via one carrier, such as UPS. Using packet switching, however, the parcel would be sent using three different carriers—one page via UPS, DHL, and FedEx, respectively. The reason packet switching is cheaper is because it sends information over unused portions (like pauses in conversations) of the network, making for much greater efficiency.

Over traditional copper networks, packet switching does not work very well with voice. High-speed fiber optic networks appear to do much better. The reason that voice does not work as well as data on a packet switching system is that the information that is transmitted along the network does not arrive at

Composite Statistics: Telecommunications Services Industry
*Includes AIT, BEL, BLS, GTE, NYN, PAC, SBC, USW

1992	1993	1994	1995	1996	1997		99-01
92091	93671	106486	109303	*114700*	*119500*	Revenues ($mill)	*138500*
9928.5	10642	12778	13782	*14970*	*15950*	Net Profit ($mill)	*18975*
33.2%	31.7%	35.6%	36.2%	*36.0%*	*36.0%*	Income Tax Rate	*36.0%*
10.8%	11.4%	12.0%	12.6%	*13.0%*	*13.3%*	Net Profit Margin	*13.7%*
43.4%	43.4%	45.7%	51.5%	*44.5%*	*43.5%*	Long-Term Debt Ratio	*40.0%*
55.5%	55.4%	52.8%	45.5%	*55.5%*	*56.5%*	Common Equity Ratio	*60.0%*
118722	113451	117964	110726	*114650*	*120000*	Total Capital ($mill)	*160000*
145967	145107	151978	127865	*131500*	*145000*	Net Plant ($mill)	*175000*
10.3%	11.2%	12.7%	14.7%	*14.0%*	*13.5%*	% Earned Total Cap'l	*13.0%*
15.0%	16.9%	20.5%	27.3%	*25.0%*	*20.0%*	% Earned Net Worth	*18.0%*
15.0%	16.9%	20.5%	27.3%	*25.0%*	*20.0%*	% Earned Com Equity	*18.0%*
4.3%	4.7%	6.2%	9.1%	*5.0%*	*6.0%*	% Retained to Com Eq	*8.0%*
72%	72%	70%	67%	*69%*	*65%*	% All Div'ds to Net Prof	*58%*
14.7	16.2	12.4	14.2	***Bold figures are Value Line estimates***		Avg Ann'l P/E Ratio	*13.0*
.89	.96	.81	.95			Relative P/E Ratio	*1.00*
4.9%	4.5%	5.6%	4.7%			Avg Ann'l Div'd Yield	*5.0%*



BACK TO RESULTS

NEW SEARCH

A connected world

INDEX TERMS Surveys|telecommunications; Telecommunications|survey; Cairncross, Frances|telecommunications, survey; Telecommunications|virtual office, contributions to; Offices|virtual office, emergence and growth, telecoms' role;
DATE 13-Sep-97
WORDS 1534

A connected world The telecommunications revolution, driven by liberalisation and the Internet, will change the way people live and work, writes Frances Cairncross IN ANDERSEN CONSULTING'S smart new offices in Wellesley, just outside Boston, Mark Greenberg is entitled as a senior partner to three filing-cabinet drawers of storage space. In one, he keeps a bubble-wrapped package, containing the sort of personal mementoes—family photographs, shields and so on—with which businessmen like to decorate their offices, together with a diagram to show how they should be arranged. On the rare days when Mr Greenberg is not visiting a client or jetting around the world, he reserves an office. When he arrives, his treasures are neatly laid out on the desk for him to make him feel at home.

But this is, in effect, a virtual private office, his just for the day. Struck by the waste involved in maintaining expensive permanent offices for people with itinerant lives, the partners in the world's largest management consultancy have created something that feels like a cross between a hotel and a luxurious club. The Wellesley office is staffed by the cream of Boston's hotels: people who understand the business of providing services for important and self-important people. The reception desk looks like a hotel foyer; each floor has lots of little "huddle rooms" with comfortable armchairs, as well as brainstorming rooms with less comfortable ones; and there are open spaces for coffee and conversation with colleagues.

Love it or loathe it, this office of the future is made possible principally by the revolution tearing through telecommunications. Before the move from its old Boston offices, the company threw out 120 tonnes of papers. So where, you ask another senior partner, does he file his papers? He taps his laptop. "That's my filing cabinet." Some of the savings on offices have been invested in building what is grandly called the "Knowledge Exchange": a vast on-line database containing the company's accumulated wisdom, available to Andersen people anywhere in the world seven days a week (provided, of course, they can get their laptops to connect). The benefits, partners claim, are not merely the more efficient use of property, but easier and speedier access to information for everyone. The result is "better, faster, cheaper"—the battle-cry of the communications revolution.

Plenty of other companies will, in the next decade, undergo similar upheavals, fired by a change even more far-reaching than the harnessing of electrical power a century ago. The transformation of telecommunications networks, brought about mainly by a marriage with computers, is simultaneously driving down the cost of communicating and driving up the amount of information that can be exchanged. Where once people had to go to a particular place—a telephone box, a computer—to communicate, now communications come to them, in the form of a pager, a mobile telephone, or a laptop with a phone jack. And where once greater distance made communications progressively more expensive and complicated, now distance is increasingly irrelevant.

But it is not yet obvious where all this will lead. For about a century after its birth, the telephone network became more and more extensive, but not much more sophisticated. Only in the past two decades have three great innovations—the fax, the mobile telephone and the Internet—shown how the network can be used to create new mass-market products that change the way people live and work. Many more such novelties probably lie ahead, for telecommunications is at the centre of the

FOOTNOTE: 14

most intense innovation that any industry has ever seen.

The innovations themselves are only a first step. Beyond that lies the evolution of ways to use them, a much more gradual and unpredictable process. Think of the myriad ways electrical power has shaped the 20th century. The impact of the communications revolution on life in the next century will be just as pervasive.

All things change

One of the few certainties of this new world is that it will change the communications business itself beyond recognition. Indeed, this has already begun to happen, impelled by the combination of liberalisation and technological innovation. So far the pace of change has been uneven: in some respects, bewilderingly fast; in others, infuriatingly slow.

In many countries, the fixed telephone service is still a public-sector monopoly. By this time next year, the monopolies will, in theory, have been swept away in most countries, as agreed earlier this year in the World Trade Organisation. Its timetable for opening markets at the start of next year parallels an earlier agreement by the countries of the European Union to create a single market for telecommunications services.

But experience in those countries that have already begun to dismantle their monopolies—including the United States, Japan, Britain, Australia, New Zealand and Scandinavia—shows how hard it is to create competition in telephone networks. The old telephone monopolies will almost certainly still be powerful companies ten years from now—though in 20 years' time some of them may be gone.

Long before then, the industry will have become much more like other industries. New companies are already elbowing into the business. Some come from other industries; some are cheeky upstarts, founded by youngsters. Eli Noam, an economics professor at Columbia University in New York who is also a telecommunications guru, speaks with wonder of one of his graduate students who started a company to resell telephone capacity, and now has 100,000 customers. "The amount of young people going into competition against big companies is remarkable," he says. "They are not afraid. The advantage of 25 years of experience is irrelevant in such a high-growth industry."

Already, telecommunications services are starting to be internationally traded—and occasionally dumped, giving rise to a novel sort of trade war. And—another novelty—some telephone companies will go bust (as one or two tiddlers have already done). Many will have foreign owners. No longer will all big telephone companies do more or less the same things; instead, like car companies or banks, they will specialise and diversify, sometimes wisely, sometimes not. And, once there are many providers of communications, government's role will shrink.

Although regulatory change may be slow, the speed of technical transformation is breathtaking, as information is increasingly handled in digital form and as the capacity of networks soars. As a result, activities that were strictly for nerds one year (say, voice telephone calls over the Internet) are hot commercial prospects 12 months later; and technologies that started as a businessman's luxury (say, cellular telephones) quickly become a mass-market gadget. No wonder Andrew Entwistle of Analysys, a consultancy in Cambridge, England, confesses: "We've gone from clarity about the future to explaining why we can't answer with certainty."

Wireless and data sum up the two main uncertainties. Ten years from now, it seems probable that wireless will have become the main conduit for voice conversations, as people come to think of the telephone as a personal, portable gadget rather than a static object which they share with others in a fixed place. Moreover, wireless, including satellite telephony, will eventually be the main guarantee that everybody has a choice of telephone service.

Talking technology

At the same time, telecommunications will be increasingly about carrying data. Some of that data will be the human voice, carried in new ways. Some will be moving pictures, converted into digital form, and some will be information sent from one machine to another. Whereas even the most loquacious humans eventually dry up, machines can go on communicating for ever. Carrying voice calls will remain the industry's biggest money-spinner for many years—in the time it has taken Internet telephony to become a $2m business, international telephone sex chat has become a $2 billion business. But data will be what fills the pipes.

These changes will transform the industry. "The Internet is just as significant for the telecoms industry as the PC was for the computer business," says Tim Kelly, head of operations analysis for the International Telecommunication Union (ITU), an intergovernmental body in Geneva. "It brings new companies and cuts margins." But, he adds, the telephone companies are more entrenched than the mainframe computer makers ever were: they have run a highly effective cartel, they are closely bound to governments, and they usually control the final gate between the network and the user. For all these reasons, change may take longer to come about.

This survey will review the changes that have already taken place, and preview the bigger ones waiting in the wings: in competition and regulation, and in the technologies developing at such a breakneck pace. It will end by giving a few tentative answers to the biggest question of all: how will all this change our lives? A decade or two down the road, will we bless the telecommunications revolution—or wish that it had never happened?

An earlier survey by the same author, "The Death of Distance", was published on September 30th 1995 and is available on this site. To find it, go to the archive and search for "Frances Cairncross". Both surveys form the basis for a book, also called "The Death of Distance", to be published in November. If you would like information about pre-ordering this book, please e-mail shop@economist.com. See also www.deathofdistance.com

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ZOOMING DOWN THE I-WAY

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Deck: Alternative carriers and nimble startups have united PCs, E- mail, fax, and video
Byline: By Andy Reinhardt in San Francisco, with Peter Elstrom in Chicago, Paul Judge in Boston, and bureau reports

Remember all that talk a few years ago about the Information Superhighway? Offices and homes across the country were supposed to be transformed by powerful new communications technologies that would deliver two- way video, online games, home shopping, even the choice of working from the beaches or the ski slopes--all conducted via snazzy new digital devices. Instead, after a few limited experiments by Time Warner Cable, U S West, and Bell Atlantic, the telephone and entertainment companies decided that these high-tech roadways were just too expensive to build--and a hard sell to their cost-conscious consumers.

Even the Telecommunications Reform Act of 1996, meant to remove many of the regulatory barriers that made it tough for telecom companies to invest in the I-way, has made little difference. Fourteen months after President Clinton signed the law, the nation's phone and cable- TV companies are still fighting yesterday's battles, bent on invading each other's turf by leasing and reselling existing local and long- distance service.

But outside the boardrooms of telecom's giants, innovation is sweeping the wired and wireless world--bubbling up from the bottom. Hundreds of alternative carriers and nimble startups are leaping head-first into the newly deregulated environment. Pioneers such as Wildfire Communications, Lucent Technologies, Dialogic, and VDOnet are the new names to watch.

FOOTNOTE: 15

JUGGLING. Their holy grail: to unite PCs, phone, E-mail, fax, and video into a seamless fabric. They are designing software that sends phone calls around the world on the Internet so cheaply it's like dialing your cousin across town. And they're offering high-quality videoconferencing systems that make it as easy to do a meeting on top of a mountain as in the company cafeteria. ``Last year was Year 1 of a 15-year revolution," says Joseph S. Kraemer, a vice-president at consulting group A.T. Kearney in Rosslyn, Va. ``We're about to jam the equivalent of the 100-year Industrial Revolution into the next 15 years."

Unlike the original I-way visions, this revolution is starting at the office, not the home. The standard-bearers are such innovative outfits as Precision Response Corp., a Miami company that's something of a showcase for the merger of computers and phones. Precision Response handles customer service for 62 clients, including Taco Bell, Ryder System, and British Airways. To manage the 150,000 to 200,000 calls it gets each day, Precision has toll-free lines dedicated to each client and linked to PCs that pull up data about a given company in just milliseconds. Intelligent phone switches steer calls to customer- service reps best equipped to handle each problem.

With such a setup, juggling becomes a snap. While a customer-service rep is still on the line soothing an upset Taco Bell customer, for instance, an E-mail message is immediately sent to the manager of the problem restaurant, with copies to the zone and corporate managers. The system also generates a computerized letter to the customer and later alerts the rep to make a courtesy callback. ``We have so much horsepower that with the right software we can deliver better customer care and achieve some things we didn't think we could do," says Precision President David Epstein.

The white line dividing computers and telephones, voice and data, is blurring at last. Why now? Because of a confluence of technology and demand--driven, to a huge degree, by the Internet phenomenon. Building on the union of data networks and computers, the Internet has become the new global communications infrastructure for businesses. With its standard interfaces and low rates, ``the Internet has been the great leveler for communications--the way the PC was for computing, " says analyst Virginia Brooks of Aberdeen Group Inc., a Boston consulting firm.

Companies that spent millions of dollars constructing their own private data networks and complex electronic data interchange systems in the 1980s are shifting over to the Web. General Electric Co., for example, had invested heavily over the past decade in proprietary networks to do business with suppliers and contractors. But a switch to a Web- based electronic commerce system called the Trading Process Network is saving GE millions of dollars a year. Now, GE is opening the network, which brings together buyers and suppliers of everything from machinery to stationery, to outside companies for trading with each other. A bonus for GE: It will collect a transaction fee on every purchase made.

The Internet is also giving rise to new products that could undermine traditional phone services. The one that sends shivers down the spines of telecom execs: software that lets you place phone calls over the Net. Cybersurfers figured out early on that, for the price of a local call to their Internet service provider, they could dial around the world to anyone else hooked up to the Net. All it takes is a PC equipped with a microphone, sound card, and special software.

Today, most Net phone callers are PC hobbyists. For everyone else, the quality of these calls is usually too inferior to the public phone network. But that could soon change. VocalTec Ltd. in Northvale, N.J., the leading maker of Internet telephony